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Iraqis Strike on Border, 12 Marines Die, U.S. Says It's Isolating Enemy in Kuwait

Greg English/The Associated Press

A Saudi tank sitting at the entrance to the border town of Khafji on Wednesday as smoke rises from a destroyed Iraqi armored vehicle. Iraqi forces crossed the border and stormed the town late Tuesday.

Incursions Called 'Probing' Attacks

Compiled by Our Staff From Dispatches

RIYADH — Twelve U.S. Marines were killed near the Kuwaiti border when Iraqi troops backed by tanks crossed into Saudi Arabia in the first major ground engagement of the war in the Gulf, U.S. military officials said Wednesday.

The Marines were the first U.S. ground forces killed since the war began on Jan. 17. Two others were reported wounded.

General H. Norman Schwarzkopf, the commander of U.S. forces in Saudi Arabia, predicted that heavy fighting would continue.

"I don't think that battle is over by a long shot," he said, "and I *expect a lot more fighting tonight.*"

Saudi forces, he said, were moving into the border town of Khafji to "evict any Iraqi forces who may be in that area."

There were no precise reports of Iraqi casualties, but U.S. military sources said they expected them to be heavy. At least 13 Iraqis were reported to have been captured.

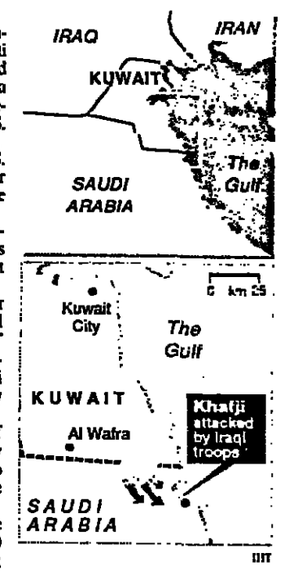
U.S. officials estimated the size of the Iraqi force at about 1,500 soldiers and a battalion of at least 40 tanks. The number of allied soldiers involved in the battle was not disclosed.

Eighteen hours after the first of four thrusts across the desert from Kuwait, Iraqi forces were still holding out in Khafji. On the coastal highway five kilometers (three miles) south of the Kuwaiti border, Khafji was evacuated in the first days of the war.

The White House cautioned that the fighting did not mean that a ground war was under way.

"The incursion last night did not represent the start of a ground war," Marlin Fitzwater, the White House spokesman, said Wednesday. "We have not done that."

General Schwarzkopf said 24 Iraqi tanks were confirmed destroyed by allied forces in the fighting. He added that allied pilots reported seeing 41 Iraqi tanks destroyed, as well as seven armored personnel carriers and 12 other vehicles.



IHT

The battle began Tuesday night when Iraqi tanks were spotted moving into Saudi Arabia. U.S. forces fired anti-tank weapons and called air strikes to repel the assault, the heaviest ground fighting so far in the war.

According to General Schwarzkopf, there were four Iraqi incursions in all, beginning late Tuesday evening and continuing into Wednesday.

U.S. officials described the assault as a multipronged "probing" attack designed to size up enemy strength and weaponry. They said 50 Iraqi tanks were moving toward and across the Saudi border when the fighting began.

One Iraqi incursion began around noon Wednesday as a force of up to 80 armored vehicles and 3,000 to 4,000 men approached Saudi positions, their turrets on their tanks turned away as if they planned a surrender.

But a few minutes later, Marine Major Craig Huddleston said Iraqi forces had "engaged the Saudi forces in combat, so they're going to kill 'em."

"It may have been a ruse," he said.

As the fighting intensified, allied troops engaged Iraqi soldiers along a 25-mile front extending from Kuwait's Wafra oil field to Khafji, a Saudi military spokesman said.

By late afternoon, Iraqi troops in armored personnel carriers were holding central Khafji, U.S. Marines and Saudi troops deployed on the outskirts said. It was the first time Iraq had held any Saudi territory since the war began.

Reports from Marines on the ground referred to street fighting in Khafji. Marine Lieutenant Colonel

See STRIKES, Page 3

Supplies to Iraqis in Kuwait Cut by 90%, Schwarzkopf Says

By Barry James
International Herald Tribune

The commander of allied forces in the Gulf said Wednesday that two weeks of relentless air attacks had cut supplies to Iraqi troops in Kuwait by 90 percent, but he warned that Iraqi troops were not close to capitulation.

The commander, General H. Norman Schwarzkopf, in a broad assessment of the war at the end of the second week of fighting, said in Riyadh that the Iraqi ground incursions into Saudi Arabia were an indication that enemy forces still had plenty of fight.

"By every measure, our campaign is very much on schedule," General Schwarzkopf said. "But there is no way I am suggesting the Iraqi Army is close to capitulation and about to give up. The actions last night show that."

He said, however, that the Iraqi attack on an uninhabited and undefended Saudi border town, Khafji, was not militarily significant.

In an upbeat assessment, the general indicated that the scenario outlined a week ago by General Colin L. Powell, chairman of the U.S. Joint Chiefs of Staff, to "cut off and kill" the Iraqi Army in Kuwait was being accomplished.

He said allied air power had achieved a "90 percent degradation" in the supply rate to Iraqi troops in Kuwait. That meant, he said, that if it takes 20,000 tons a day to supply the enemy troops, "we feel that we have reduced that to 2,000 tons."

He showed videotapes of night precision-bomb attacks on Iraqi road and rail bridges, including one in which a vehicle crossed seconds before the bomb hit — "The luckiest man in Iraq," the general commented.

Out of 36 bridges singled out, 33 have been hit. The general said the empty state of the roads was an indication that allied interdiction attempts were succeeding. Where there once were 1,000 trucks at any one time on the main route south to Kuwait, he said, there are now no more than 100.

Anecdotal evidence indicated that the action was working, he said, with defecting troops reporting they were getting one meager meal a day and had no water in which to wash.

General Schwarzkopf said allied planes had been hitting Iraqi ground forces with more than 300 sorties a day, including at least three attacks in which waves of B-52 bombers dropped more than 1,200 tons of bombs.

Although it was difficult to assess the exact impact of this bombing, the general said pilots had seen numerous secondary explosions, including a huge blast that was described as being bigger than that of an erupting volcano.

He said that the explosion prob-

See GULF, Page 4

U.S. Plays Down Offer to Iraq

By Paul F. Horvitz
International Herald Tribune

WASHINGTON — Trying to minimize an unusual U.S.-Soviet offer to cease hostilities in the Gulf, the White House said Wednesday that U.S. policy toward Iraq remained unchanged and that it regretted any misunderstandings.

Marlin Fitzwater, the White House spokesman, said President George Bush had not seen a U.S.-Soviet communiqué before it was issued and that Mr. Bush said he had no differences with State Department policymakers.

In Israel, Prime Minister Yitzhak Shamir said that he had not been consulted before the communiqué was issued.

According to the joint statement, made public late Tuesday just as the president was preparing to deliver his State of the Union address, the fighting could end if Iraq made an "unequivocal commitment" to withdrawing from Kuwait and backed it up with "immediate, concrete steps" to comply with United Nations Security Council resolutions.

In the communiqué, Secretary of State James A. Baker 3d and the Soviet foreign minister, Alexander A. Bessmertnykh, also expressed the belief that after the fighting stopped, U.S.-Soviet efforts to promote peace among Arabs, Israelis and Palestinians would be "greatly facilitated and enhanced."

A State Department official said the communiqué had been requested by Moscow in part to "put to rest any concerns that the Soviets were somehow retreating from their positions on the Gulf crisis."

In the days leading up to the Baker-Bessmertnykh meetings, the Soviet minister and other Kremlin officials seemed to question U.S. intent in the Gulf, given the level of allied bombing of Iraq.

Mr. Fitzwater acknowledged Wednesday that the timing of the communiqué resulted in large part from Soviet fears that Iraq might be destroyed. The purpose of the document, he said, was to repeat that the United States and the Soviet Union were "not trying to destabilize the Middle East" and that after the war was over they looked "forward to a Middle East that would be interested in the peace process."

Despite the assurances, the communiqué raised questions about

See PEACE, Page 4

Debriefing: Day 14

Sorties

☐ About 3,000 allied sorties flown Wednesday, for a total of more than 30,000 in 14 days of war.

☐ No Scud firings reported Wednesday; 53 missiles fired earlier, 27 at Saudi Arabia and 26 at Israel.

Losses

☐ 12 U.S. Marines killed Wednesday and 2 wounded, the first *American ground forces to die in battle* in heaviest ground fighting so far.

☐ About 13 Iraqi prisoners taken in the fighting, for a total of about 123; Iraqi casualties called "heavy." At least 24 tanks and 13 other vehicles destroyed.

☐ No allied planes reported lost Wednesday in combat; 25 allied planes lost earlier, including 17 U.S., 5 British, 1 Kuwaiti, 1 Italian, and 1 Saudi.

☐ 53 Iraqi planes destroyed, no change Wednesday, including 27 in air-to-air combat and 26 on the ground.

☐ Number of allied airmen missing in action unchanged Wednesday. 20 missing, including 7 Americans, 10 Britons, 2 Italians and 1 Kuwaiti. 7 other Americans are formally listed as POWs.

☐ No new casualties in Scud attacks. 4 Israeli civilians killed and 204 injured in earlier attacks.

☐ By Wednesday, 46 Iraqi naval ships sunk or disabled.

Iraqi Claims

☐ 7 "air targets," downed Wednesday, which brings to *216 the total* of allied aircraft downed, including planes and missiles. Iraq now often refers to action against "air targets" without further detail.

☐ 90 Iraqi soldiers killed; 320 Iraqi civilians killed, 400 injured. No new figures Wednesday.

Terrorism

☐ 4 attacks Wednesday on Turkish, U.S., Italian and British interests in Turkey, including the assassination of a retired Turkish general. This brings to at least 37 the number of attacks on allied interests throughout the world since the war began.

Assessment

"By declaring air supremacy, it gives us the ability to use some new tactics we have not been able to use before. . . . The Iraqis have abandoned centralized control of *their air defense within Iraq and* Kuwait. . . . The simple fact is: Now, every time an Iraqi airplane takes off the ground, it is running away." —General H. Norman Schwarzkopf, allied commander.

War in the Gulf

In Tokyo, Kaifu was heckled as he defended Japan's pledge of $9 billion for the Gulf force. Page 5.

Israel said the PLO was trying to open a "new front." Page 3.

Britain's broad consensus in support of the government's Gulf policy is rooted in history. Page 5.

Egypt staged air defense exercises with missiles in an apparent warning to Sudan. Page 3.

Lauren Rebours/The Associated Press

Kiosk

Croats Refuse To Arrest Aide

BELGRADE (Reuters) — The Yugoslav federal army Wednesday ordered the detention of the Croatian republic's defense minister within 24 hours, the press agency Tanjug reported. But a senior Croatian official said the republic would defy the order.

The military prosecutor's office in Zagreb, the Croatian capital, ordered the detention of Martin Spegelj within a day, accusing him of planning attacks on army personnel. Slaven Letica, an aide to Croatia's president, Franjo Tudjman, said that the Croatian Interior Ministry would "not accept the order." The federal army has accused Mr. Spegelj of organizing paramilitary groups.

Crossword Page 8.

Gold (NY spot)	Oil (W. Texas NYME)
$368.35	$21.00
Down $7.65	Down $0.85

Dow Close	The Dollar (In New York)	
Up 50.50 2,713.12	DM	1.4878
	Pound	1.9633
	Yen	131.15
	FF	5.0495

Kremlin Denies Giving Iraq's Secrets to U.S.

By David Remnick
Washington Post Service

MOSCOW — General Mikhail A. Moiseyev said Wednesday that Moscow was not supplying the United States with secret information about the vast supplies of arms it provided Iraq or about Baghdad's general military potential.

General Moiseyev, the chief of the general staff, told Tass that reports in the Philadelphia Inquirer and other Western media that the Soviet Union had given the Pentagon intelligence reports on Iraqi arms and bases were untrue.

General Moiseyev said that to provide the multinational forces with such secret information would be a breach of a 15-year friendship treaty with Baghdad. Especially since the fighting in the Gulf began, the Soviet Union has attempted to distance itself from U.S. military and diplomatic policy while remaining in the alliance.

Until Moscow joined the U.S.-led alliance following the invasion of Kuwait on Aug. 2, the Kremlin had been Iraq's main arms supplier. Iraq received armored vehicles, missiles, ammunition and other arms as well as the aid of Soviet military advisers.

[Defense Secretary Dick Cheney has said he discussed Soviet armaments in Iraq with Kremlin officials during a trip to Moscow. He said Jan. 23 that those discussions did not go into great detail but that high-ranking Soviet military officials had assured him that there was nothing the United States was unaware of concerning Soviet-supplied Scud missiles and that these missiles had not been enhanced before shipment.]

In the past two weeks, the Soviet press has carried numerous commentaries criticizing the U.S. decision to attack Baghdad only hours after the Jan. 15 deadline set by the UN Security Council for an Iraqi withdrawal from Kuwait. Marshal Sergei F. Akhromeyev, the main military adviser to President Mikhail S. Gorbachev, denounced the United States in an interview, saying that Washington had failed to give economic sanctions sufficient time to work.

Foreign Minister Alexander A. Bessmertnykh also distanced himself from the American position at his recent meetings in Washington, saying that the United States could be in danger of overstepping the original intentions of the UN resolutions.

The military newspaper Krasnaya Zvezda reported that some Soviet radar equipment was able to pick up a trace of U.S. stealth jets, but it did not say whether Iraq was in possession of such equipment.

"Stealth-type aircraft can cause a lot of trouble for anti-aircraft defenses," said Lieutenant General Grigori Dubrov, adding that Soviet radar had detected such aircraft.

SDI Success: Mock Warhead Destroyed

By William J. Broad
New York Times Service

NEW YORK — After seven years of research and $24 billion in spending, the Pentagon's Strategic Defense Initiative program to destroy enemy missiles has achieved its first interception of a mock warhead in space.

A Defense Department official said that the test, which involved a ground-based interceptor fired from the U.S. missile-test range in the South Pacific, was "an unqualified success."

U.S. officials said the timing of the test, which was performed Monday, had nothing to do with renewed interest in anti-missile systems since the Patriot missile's success in destroying Iraqi Scud missiles fired at Israel and Saudi Arabia in the Gulf war.

Private experts agreed, saying the program had been moving too sluggishly to be politically manipulated.

They added, however, that it might nonetheless combine with the Patriot's accomplishments to raise the fortunes of the missile-defense program, which has suffered budget cuts as public fear of the Soviet military has receded.

In his State of the Union message on Tuesday night, President George Bush cited the success of the Patriots in calling for the SDI program to be "refocused on providing protection from limited ballistic missile strikes — whatever their source."

Proposing a major shift in emphasis of the program, Mr. Bush said that it should be designed not only to protect against intercontinental ballistic missiles but also to shoot down shorter-range missiles, like the Scuds.

"Let us pursue an SDI program that can deal with any future threat to the United States, to our forces overseas and to our friends and allies," Mr. Bush said.

A senior administration official said that it was "a fairly big change, from deterrence of an all-out Soviet attack" or defense against "an accidental Soviet launch," to protection against "shorter-range missile threats around the world."

In the test this week, the interceptor was fired 100 miles (160 kilometers) into space, where it collided with the mock warhead, destroying it by force of impact rather than an explosive charge, government officials said Tuesday.

The interceptor is the Pentagon's main hope for destroying enemy warheads in mid-

See ARMS, Page 4

Bush Gives Nation a Pat On the Back

By John E. Yang
Washington Post Service

WASHINGTON — President George Bush's State of the Union address offered a modest outline for domestic programs in the year ahead that contrasted sharply with the expansive role he mapped out for America in the world.

In the address Tuesday night to a nation confronted by war and recession, the president vowed that the "indomitable" American character would overcome Saddam Hussein abroad and economic troubles at home.

"If we can selflessly confront evil for the sake of good in a land so far away, then surely we can make this land all that it should be," the president told a joint session of Congress. "If anyone tells you America's best days are behind her, they're looking the wrong way."

On the war, Mr. Bush said the nation stood at "a defining hour," picking up a burden of leadership that no other nation could shoulder.

"We are Americans," he said. "We have a unique responsibility to do the hard work of freedom. We are the only nation on this earth that could assemble the forces of peace."

On the economy, Mr. Bush said,

See BUSH, Page 4

Some Soviet Forces Pull Out of Vilnius As Death Toll Rises

Compiled by Our Staff From Dispatches

VILNIUS, Lithuania — Two convoys of Soviet troops left the Lithuanian capital Wednesday, and the president of the republic said that a withdrawal could set the stage for new talks between Moscow and republics seeking independence.

The death toll in the Baltics, meanwhile, rose to 20 when Jonas Tautkus, 20, died from a gunshot wound to the head inflicted by Soviet soldiers a day earlier at a military checkpoint. Lithuanian officials said that Mr. Tautkus, who apparently was evading the draft, was shot when he refused to get out of his car; military officials said he was hit by a ricochet.

In an apparent policy shift, the Soviet interior minister, Boris K. Pugo, said Wednesday that all paratroopers had left the Baltic region and that two-thirds of the "black beret" Interior Ministry troops had also been withdrawn.

The Lithuanian president, Vytautas Landsbergis, said that Kremlin promises to remove at least some troops were a good sign, but that Soviet forces still occupied Lithuania's buildings and that a propaganda war was being waged against the republic.

Responding to a statement by President George Bush that Moscow had conveyed a willingness to "move away from violence," Mr. Landsbergis said that the United States should be wary of Soviet promises.

The Lithuanian parliament's information office said that two convoys of about 45 vehicles, and planes carrying 30 to 40 truckloads of soldiers, left Vilnius on Tuesday.

But Lithuanians said they could not confirm that the forces had actually left the republic rather than being redeployed elsewhere in the small Baltic state.

In Washington, U.S. officials said Mr. Bush had received general assurances this week from the Soviet foreign minister that Moscow would withdraw some forces from the Baltic region and try to lower tensions with Soviet republics that are seeking independence.

But a senior official cautioned that the foreign minister, Alexander A. Bessmertnykh, did not say how many of its troops Moscow would withdraw.

Another official said Mr. Bessmertnykh had offered no promises of specific action that would check what Washington sees as a general reassertion of Kremlin powers throughout the country.

In his State of the Union Address on Tuesday night, Mr. Bush said he had received "representations" from the Soviet leadership, which, "if fulfilled, would result in the withdrawal of some Soviet forces, a reopening of dialogue with the republics and a move away from violence."

Mr. Pugo, interviewed by the newspaper Rabochaya Tribuna, said, "All army paratroop units were withdrawn from the Baltic region by Jan. 28." He said that two-thirds of his Interior Ministry forces had been withdrawn by the following day, adding, "One-third of these troops remain for the present, but as calm is returning, they will not remain there forever."

But Mr. Landsbergis, in a statement released Wednesday, cautioned against taking Moscow at its word.

"It is regrettable that the promises of the Soviet leadership are so often broken," he said, "and this is why the United States should not be satisfied that it has received promises once again."

He said, "If the president of the United States could visit Lithuania for a while and follow the propaganda war against Lithuania and the other Baltic states, he would not say the Cold War is over."

At a news conference Tuesday night, Mr. Landsbergis said that a troop withdrawal could be the key to renewed talks with the Kremlin.

"If we receive signs that the military presence is being reduced, it would be a good signal for us for negotiations," he said. *(AP, NYT)*

Forget Tax Cut, House Speaker Says

The Associated Press

WASHINGTON — President George Bush's bid to revive his plan for a cut in capital gains taxes has no chance of success in Congress, the speaker of the House, Thomas S. Foley, said Wednesday.

In his State of the Union address Tuesday night, Mr. Bush said he would renew proposals to use tax breaks to encourage Americans to invest and save more of their earnings.

Mr. Bush said his fiscal 1992 budget, due out Monday, would propose tax-free family savings accounts, penalty-free withdrawals from Individual Retirement Accounts for first-time home buyers and cuts in the long-term capital gains tax on the sale of real estate, securities and other assets.

But Mr. Foley said Wednesday that there was no realistic possibility that Congress would go along.

"I don't think tax reduction is a good idea at this very moment," the Washington Democrat said on television.

■ **'Crisis Here at Home'**

Helen Dewar and Tom Kenworthy of The Washington Post reported earlier:

The Senate Democratic leader, George J. Mitchell of Maine, pledged the Democrats' support Tuesday for a "swift and decisive" conclusion of the Gulf war but asserted that the nation faced "a crisis here at home" that could not be ignored while the war was being fought.

In the formal Democratic reply to Mr. Bush's address, Senator Mitchell staked out a hard-times domestic agenda focusing on economic growth, with a "sensible energy policy" as the first step toward achieving that goal.

"As critical as the Gulf conflict is, the other business of the nation won't wait," he said. "The president says he seeks a new world order. We ask him to join us in putting our own house in order. We have a crisis abroad, but we also have a crisis here at home."

The senator's words were echoed by other Democratic lawmakers, while Republicans said Mr. Bush had his priorities right in stressing the war effort.

The House Democratic leader, Richard A. Gephardt of Missouri, said that while Mr. Bush projected U.S. military power in the Gulf, "we now need to devote the same commitment to the threats we confront at home."

Senator Edward M. Kennedy, Democrat of Massachusetts, made the same point but also commended Mr. Bush for "his strong emphasis on domestic priorities as well." He added, "Support for our troops also means support for the kind of America they are fighting for."

Senator Mitchell's comments reflected a crafted attempt to demonstrate Democrats' support for troops in the Gulf without appearing to endorse or criticize the president's decision to go to war, which is supported by most Americans in public opinion polls.

In votes earlier this month on resolutions authorizing use of military force to expel Iraq from Kuwait, a majority of Democrats opposed early war in favor of continued pressure on Baghdad through international economic sanctions.

"We agreed that Iraq's aggression was brutal and illegal and that Iraq must leave Kuwait, by force if necessary," Senator Mitchell said. "The difference was not in the goals but in the means: whether force should be used immediately or only as a last resort if other means failed. No one will ever know if that other course would have worked. Now that war has begun, we'll work to see that it's swift and decisive, with the least possible loss of life."

He added a word of criticism for U.S. policies leading up to the war.

"For 10 years," he said, "U.S. policy favored Iraq. We can't repeat that kind of mistake."

Turning to the Democrats' domestic agenda, Senator Mitchell said the first priority was economic growth and the creation of jobs. He called for energy conservation, alternative fuels and reducing dependence on imported oil as "the first step to growth."

Excerpts from President George Bush's State of the Union address are on Page 4.

Scenes of Chaos and Horror in Somalia

The Associated Press

Somali rebels with their weapons in Mogadishu. After overthrowing President Siad Barre, the rebels swore in a new president.

Siad Barre Is Gone, but Anarchy and Death Linger as Rebels Take Over

By Neil Henry
Washington Post Service

MOGADISHU, Somalia — A few days after the fall of Mohammed Siad Barre to rebel forces, this sun-swept Indian Ocean port remains full of human agony and lingering scenes of horror.

Lime-covered corpses of slain government soldiers lie in the middle of Sinai Road near the city center, three blocks from a vacant lot where chickens dance and peck amid the unburied bodies of a dozen civilians executed by soldiers. There are men and women both, shot in the head, their hands bound behind their backs by faded strips of cotton.

This is a city where lawlessness prevails. The presidential palace, Villa Somalia, has been ransacked and looted.

Shop after shop has been gutted and stripped of valuables by gun-toting looters who emerged in growing numbers as Mr. Siad Barre, who had held power for 21 years, and his government lost control over the country.

On Tuesday, the bandits and thieves appeared to concentrate on the Central Bank and Ministry of Finance. They gathered in the sultry surrounding streets to collect heaps of paper Somali shillings blowing in the sea breeze like autumn leaves.

"Please, don't go down there!" a foreigner was warned by Abdul Osman, 33, one of the rebels who overthrew Mr. Siad Barre on Saturday. "It's not safe. We cannot guarantee your life."

Mr. Osman is an economist and a representative of the United Somali Congress, the rebel group.

Amid this anarchy and the faint but ubiquitous stench of death in the air, the dusty streets are swollen with debris from violence: chunks of masonry and shards of glass; dangling electrical wires, heavy branches and limbs shorn from trees by artillery shells; abandoned government tanks and armored personnel carriers, and dozens of smashed trucks and cars riddled with bullet holes and freshly spray-painted with the rebel group's initials.

Citizens, including children, lug the most inexplicable array of ill-gotten trophies through the streets — washing machines, a piano, beds, grease-laden electric generators, silverware sets, light fixtures, handfuls of books from a library.

And everywhere in the devastated capital, day and night, there is the crackle of automatic-weapons fire from rebel troops and armed civilians, most of them celebrating the fall of Mr. Siad Barre or just shooting randomly.

"I never would have thought anything like this would be possible in my country," said Abdi Hussein Mumin, 27, an accountant who returned to Somalia last month after several years in Botswana. "The hard part is over. Siad Barre is gone. Now we must start to build again."

On Tuesday, as rebel forces continued to chase Mr. Siad Barre toward the southern town of Kismayu, the rebels swore in a new president, Ali Mahdi Mohammed, 52. Mr. Mahdi is the owner of a chain of hotels, a prominent opposition political activist and a leading member of the Hawiye clan that makes up the rebel movement.

He said national elections to choose a new government would be held "as soon as possible."

There was no indication yet whether rebels of the northern-based Somali National Movement and the southern-based Somali Patriotic Movement would back the new government, which has its roots in the central region. Their reaction is considered critical because the major regional clans have long determined the balance of the country's political power.

Mr. Siad Barre, a member of the minority Mareban clan, proved adroit at playing Somalia's major clans off one another during his years in power, allegedly resorting to ruthless methods at times to suppress opposition.

Forgetting hardship in Mogadishu likely will be a long and arduous process, for hardship is everywhere.

Hardly a house, hospital, school, foreign embassy or store is untouched by looters or automatic-weapons fire. The Roman Catholic cathedral was hit by shells and gutted by fire.

Block after block of the capital's white-washed buildings is scarred, smashed and cratered — evidence of the heavy artillery fire the city endured during the past month when the rebels pressed their final offensive.

Penned in within the compound of the president's palace, on a hilltop surrounded by granite walls, Mr. Siad Barre's men fired scores of apparently indiscriminate artillery shells around the capital last week, according to civilians.

"This was not a war between soldiers," said Huber Wilhelm, director of the only hospital still functioning in Mogadishu. "It was a war against women, children, old men."

At the hospital, an average of 150 wounded civilians arrived each day during the past two weeks.

The hospital resounds with the cries of civilians wounded by shells or bullets, many of them lying among the newly dead on cots placed haphazardly in an inner courtyard.

But Mr. Wilhelm said the worst may be yet to come: With no water or electricity in the city, and with severe shortages of food and medicine, doctors fear wide suffering from disease and malnutrition.

Estimates of how many died in Mogadishu are vague.

"Hundreds, thousands," said Mr. Osman, the rebel representative. "Don't you think this is a heavy price?"

On Saturday night, after a two-week stalemate in the fighting, the rebels finally decided to assault Mr. Siad Barre's palace, according to Mr. Osman.

Apparently sensing the end, Mr. Siad Barre, his family, closest aides and troops escaped the compound in a convoy of about 50 cars and armored personnel carriers.

Rebellion Grows in the South of Senegal

By Kenneth B. Noble
New York Times Service

CAPE SKIRRING, Senegal — At first glance, Casamance is, as usual, thronged with tourists these days.

It is the peak of the European vacation season, and on the surf-scrubbed beaches at the tip of the continent's bulge, scores of parents, children and young lovers picnic or saunter along the white sands.

But the seaside calm belies the troubles in Casamance. A series of shootings and bombings by a small separatist group has led the government of President Abdou Diouf to take tough actions in recent weeks, measures that contrast sharply with Senegal's carefully nurtured reputation for peace and stability.

Inland from the coast, there is an air of siege these days.

Since last spring, there has hardly been a week without another killing or assault by the Movement for the Democratic Forces of Casamance, which is seeking self-rule for this region of about 400,000 people.

Along nearly every thoroughfare in Ziguinchor, the region's leading city, roadblocks are manned by edgy khaki-clad soldiers. Heavily armed troops in steel-plated vehicles roam the roads at all hours. In Washington, the U.S. State Department has issued an advisory urging Americans to exercise "extreme caution" when traveling in the area.

NYT

Terrorist assaults on unarmed civilians have inevitably stirred deep concern, but almost as disquieting is what many in Casamance view as the often brutal and heavy-handed efforts by the central authorities to quell the uprising.

Amnesty International said recently that it had received a growing number of reports from Casamance of "torture and the use of cruel, inhuman or degrading treatment on detainees suspected of being rebels or of providing food or armaments and other supplies to them." The group said that at least 11 persons died in custody last year as a result of torture.

"The security forces seem to have subjected virtually all suspected rebel sympathizers or their relatives to beatings," the Amnesty International report said.

Senegal insists the reports of human rights abuses are groundless.

"That's all exaggerated," the Senegalese communication minister, Moustapha Ka, said in an interview. "In Senegal, it's not in our way of life to do such things."

Nonetheless, in Dakar, the capital, the reports of human rights abuses are widely believed.

"Torture is a reality, even if the government denies it," said Babacar Touré, editor of the influential weekly newspaper, Sud. "The problem there is very real and is getting worse."

Casamance's grievances go back a long way. Mostly cut off from the rest of Senegal by Gambia, the region has long maintained a distinct identity, so much so that when people here travel north they are apt to say, "I'm going to Senegal."

For much of the 17th and 18th centuries, Portugal rather than France was the dominant colonial influence, and Basse Casamance, as it was called, was not integrated with the rest of the country until 1866. Ziguinchor, the regional capital, was taken over by France from Portugal two decades later.

While most of Senegal's north had converted to Islam by the turn of the century, many of Casamance's people retained their animistic religious beliefs. Moreover, the Diola, the region's dominant ethnic group, is one of the few ethnic groups in Senegal that does not speak Wolof, the country's main traditional language.

At the same time, Casamance is Senegal's most fertile area, producing about half of the country's rice, cotton and corn. But there is a widespread feeling in Casamance that the north has somehow sprinted ahead of the south in education, business and industry, and that, as a consequence, it is unfairly prospering.

In recent years, residents say, road development was so poor that a trip of 30 kilometers (20 miles) from Ziguinchor would take as much as six hours. And even today, telephone service is sparse, while to the north the communications network is generally regarded among the continent's best.

The festering feelings of resentment and neglect erupted in violence in April 1990 when two customs officers were killed by five gunmen. Two weeks later, terrorists lobbed grenades into the crowd at a Muslim religious ceremony in Ziguinchor, killing two persons and wounding dozens. Since then, according to government estimates, at least 25 people have been killed by the separatists and hundreds wounded.

The government has responded by rounding up hundreds of people accused of harboring terrorists or being sympathetic to their cause. So far, at least 300 people have been charged with sedition, sent north to Dakar and are now awaiting trial.

"We live in fear of both the rebels and the government," said a teacher from the north who intends to leave because of what he called a thinly camouflaged civil war.

Yasushi Inoue, Japanese Novelist, Is Dead at 83

Reuters

TOKYO — Yasushi Inoue, 83, author of popular historical novels, died of pneumonia in Tokyo on Tuesday.

Many of Mr. Inoue's novels dealt with Japan's cultural debt to China and Central Asia. In the 1970s, they were largely responsible for a surge of Japanese interest in the Silk Road through Central Asia.

Among his works translated into English were, "The Hunting Gun," "Chronicle of My Mother," "Lou-lan," "The Counterfeiter," and "Roof Tiles of Tempyo." The latter tells of some of the first Japanese monks to bring Buddhist teachings from China.

Born on the northern island of Hokkaido as the son of an army medical doctor, Mr. Inoue worked as a journalist for a dozen years from 1936 at Mainichi Shimbun.

Ellis B. Haizlip, 61, Black Cultural Mentor

New York Times Service

Ellis B. Haizlip, a leading producer of black cultural events and mentor of black artists, died Friday in Washington of lung cancer.

Mr. Haizlip helped further the careers of many black artists, including the singers Nicholas Ashford and Valerie Simpson, Roberta Flack and Novella Nelson and the actress Anna Horsford.

José Martínez, 61, Panamanian Author

New York Times Service

José de Jesús Martínez, 61, a poet, playwright, philosopher, mathematician and an aide to General Omar Torrijos Herrera when he was the Panamanian leader, died Sunday in Panama of a heart attack.

A native of Nicaragua who became a Panamanian, Mr. Martínez was perhaps best known as the "Sergeant Chuchu" who was described by Graham Greene in "Getting to Know the General."

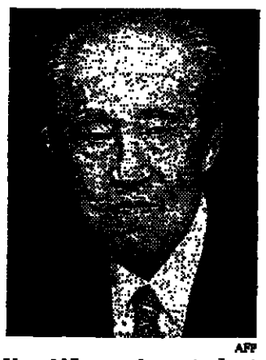
■ *Other deaths:*

Hugh McPherson, 77, a swing band leader best known for his "Rehearsin' With McPherson" radio show, Sunday of a heart attack in Charleston, West Virginia.

Lilian Bond, 83, an English actress who appeared in more than two dozen Hollywood films in the 1930s, Friday at in Reseda, California, of a heart attack. Her most celebrated role was in James Whale's 1932 horror comedy "The Old Dark House." She played a naive stranger in a sinister house presided over by a lecherous butler (Boris Karloff). She also played Lily Langtry in "The Westerner," starring Gary Cooper and Walter Brennan in 1940.

Eleni Sakes Epstein, 65, fashion editor for more than three decades of the Washington Star, now defunct, Monday in Washington. She had been suffering from scleroderma, a vascular disease.

Preston Cloud, 78, a geologist who wrote extensively on the early history of the Earth and on the evolution of life, Jan. 16 in Santa Barbara, California, of amyotrophic lateral sclerosis. He was a professor emeritus at the University of California at Santa Barbara.



AFP

Yasushi Inoue, who wrote about Japan's cultural debt to China.

Public Hospitals Seek U.S. Funds

Washington Post Service

WASHINGTON — Public hospitals in the United States are being overwhelmed by increasing numbers of uninsured poor people, low-income AIDS patients and victims of shootings and other violence, hospital officials say.

They asked Tuesday for up to $2 billion annually in federal funds to avoid severe erosion or even collapse of the hospitals.

Larry Gage, the president of the National Association of Public Hospitals, released a study that found that despite assistance from state and local governments, large public hospitals had an average operating loss of $9.4 million in 1988, which left no margin for emergencies.

WORLD BRIEFS

Senior French Minister Visits China

BEIJING (AP) — The first French government minister to visit China since Beijing's crackdown on democracy protesters in June 1989 met Wednesday with the Chinese minister for foreign trade.

Foreign Trade Minister Jean-Marie Rausch and his counterpart, Li Lanqing, agreed to develop economic cooperation and expand bilateral trade, which last year totaled $2.3 billion, the official Xinhua News Agency said. The dispatch did not say whether the two ministers discussed noneconomic issues. French Embassy officials in Beijing had said Mr. Rausch would not be discussing human rights or the Gulf war with the Chinese.

France joined other nations in banning high-level contacts and imposing economic sanctions to protest the crackdown. France's ban on high-level contacts effectively dissolved two weeks ago with the visit to Paris of China's minister for state planning, Zou Jiahua.

U.S. to Mediate Ethiopia Peace Talks

WASHINGTON (NYT) — The United States next month will mediate the first formal peace talks between Ethiopia and Eritrean separatist guerrillas in more than a year in London in an effort to end 30 years of civil strife, U.S. officials announced.

The officials said that the Soviet Union had pressed Ethiopia to enter into the negotiations. This, they said, was an indication that Moscow was still ready to coordinate its diplomacy with that of Washington to resolve civil wars in the developing world.

The announcement in Addis Ababa of the talks suggested that both the government of Lieutenant Colonel Mengistu Haile Mariam, the Ethiopian president, and leaders of the Eritrean People's Liberation Front have concluded that neither can win the conflict by military means.

Belgium Upgrades Ties With Hanoi

HANOI (Reuters) — Belgium upgraded diplomatic relations with Vietnam this month by sending its first ambassador to Hanoi since January 1979, the embassy announced Wednesday. Ambassador Piet Steel arrived in Hanoi on Jan. 12.

The two countries signed an agreement for economic cooperation during a trip last week to Hanoi by Belgium's minister for foreign trade, Robert Urbain, a Belgian diplomat said in an interview. Brussels wants to cooperate with Hanoi in agricultural production, forestry, seafood-product exports, oil exploration and transportation development. The state-run Sabena Belgian World Airlines is seeking a route to Vietnam, Western diplomats said.

Brussels downgraded diplomatic ties with Hanoi after Vietnamese troops invaded Cambodia in December 1978. Since then, a charge d'affaires has run the Belgian Embassy.

Tokyo-Pyongyang Talks Hit a Snag

TOKYO (AP) — Differences over the issue of Japanese reparations surfaced Wednesday during the opening round of talks between Japan and North Korea in Pyongyang on establishing diplomatic relations, according to Kyodo News Service.

Kyodo, in a report from the North Korean capital, said North Korea was demanding that Japan pay "war reparations" for its colonial rule of Korea from 1910 to 1945. The agency said Pyongyang also wanted compensation for the North's "sufferings and losses" after 1945, when Korea was divided into the Communist North and capitalist South. The Japanese delegation maintained that Japan never was at war against Korea and would not compensate Pyongyang for the post-World War II period.

New U.S. Education Test Proposed

WASHINGTON (AP) — A new education group chaired by a former New Jersey governor, Thomas Kean, proposed Wednesday that a national achievement test be made mandatory for all high school seniors attending public and private schools.

The group, Educate America, made the proposal its first initiative in a campaign to "drive the education policy agenda." Under the proposal, all high school seniors would be given a battery of tests to measure proficiency in reading, writing, mathematics, history, geography and science.

Mr. Kean, president of Drew University in Madison, New Jersey, criticized current assessments of student achievement as inadequate. He said a national test would motivate students and provide a "reliable accountability system for students, schools and states."

Optimism for a Truce in El Salvador

SAN SALVADOR (AFP) — UN-mediated peace talks between the Salvadoran government and leftist rebels are progressing and could lead to a truce in the country's 10-year civil war, an army official said Wednesday. There was no immediate comment from rebel leaders.

Colonel Mauricio Vargas said the talks were going through "their best time" since they began in April. He said a cease-fire could be established very easily. "We have managed to clarify certain points, getting us away from rhetoric and speeches, and we have begun to work in earnest," Colonel Vargas said. He attributed the progress to the fact that discussions were now taking place among smaller, more manageable groups of representatives from both sides.

Without mentioning any date, he said the talks resumed at a hotel in San José, Costa Rica, and continued later in Mexico City. Talks between the rightist government of President Alfredo Cristiani and the Farabundo Martí National Liberation Front stagnated last year over rebel demands that the Salvadoran Armed Forces be dismantled.

TRAVEL UPDATE

Cyprus Tries to Woo Back Tourists

NICOSIA (Reuters) — Cyprus, hoping to reduce the Gulf war's impact on its vital tourism industry, has announced a series of measures to lure back visitors, including cheaper package vacations.

President George Vassiliou said Tuesday that hotels would offer a 10 percent discount to tourists on package tours and that the government would cover extra insurance costs. He added that the Cyprus Tourism Organization would spend 5 million Cyprus pounds ($11.5 million) in promotion and advertising this year, 3.5 million pounds more than had been budgeted. Mr. Vassiliou said that to reasssure tour operators that Cyprus was a safe destination, Cyprus Airways, the national airline, had pledged to repatriate all tourists should the need arise.

Reservations at luxury hotels in France were down 30 percent in January, due to the combined effect of the Gulf war and the world recession, a trade spokesman said Wednesday. *(Reuters)*

Passenger traffic at Heathrow Airport near London fell 23.6 percent in the first week after the outbreak of the war, the British Airports Authority said Tuesday. Traffic at Gatwick was down 18.8 percent. *(AP)*

Thousands of travelers in Australia endured delays and canceled flights Wednesday because of a strike by aircraft refuelers that has crippled airlines. *(AFP)*

Lufthansa German Airlines says it plans twice-weekly flights between Nagoya, Japan, and Frankfurt, beginning May 2. The service, via Hong Kong, will be the first direct flight between the central Japanese city and Europe, a Lufthansa official said. *(AFP)*

WEATHER

EUROPE	HIGH C	HIGH F	LOW C	LOW F	
Amsterdam	2	36	-2	28	fr
Athens	8	46	6	43	c
Barcelona	10	50	5	41	c
Belgrade	1	34	-2	28	c
Berlin	2	36	-1	30	c
Brussels	1	34	-6	21	fr
Budapest	4	39	-2	28	fr
Copenhagen	1	34	-4	25	fr
Costa Del Sol	15	59	7	45	fr
Dublin	5	41	2	36	cl
Edinburgh	4	39	1	34	r
Faro	15	59	4	39	c
Florence	10	50	-4	25	fr
Frankfurt	3	37	-1	30	c
Geneva	2	36	-2	28	c
Helsinki	—	—	-22	-8	c
Las Palmas	21	70	16	61	fr
Lisbon	12	54	7	45	fr
London	3	37	1	34	r
Luxembourg	1	34	-6	21	c
Madrid	5	41	0	32	fr
Milan	1	34	-7	19	c
Moscow	-10	14	-26	-15	sw
Munich	0	32	-9	16	c
Nice	13	55	4	39	fr
Oslo	0	32	-2	28	fr
Paris	0	32	-2	28	fr
Prague	1	34	-4	25	cl
Reykjavik	4	39	0	32	r
Rome	12	54	-2	28	fr
Stockholm	-2	28	-6	21	sw
Strasbourg	-2	28	-5	23	c
Venice	1	34	-2	28	fr
Vienna	3	37	0	32	cl
Warsaw	0	32	-9	16	cl
Zurich	-2	28	-5	23	c
MIDDLE EAST					
Cairo	20	68	11	52	cl
Istanbul	3	37	1	34	c
Manama	—	—	—	—	na
Riyadh	—	—	—	—	na
Tel Aviv	—	—	—	—	na
OCEANIA					
Auckland	—	—	—	—	na
Sydney	29	84	19	66	fr

ASIA	HIGH C	HIGH F	LOW C	LOW F	
Bangkok	33	91	20	68	fr
Beijing	3	37	-7	19	fr
Hong Kong	23	91	20	68	fr
Manila	31	88	20	68	fr
New Delhi	24	75	13	55	fr
Seoul	4	39	-9	16	fr
Shanghai	20	68	10	50	fr
Singapore	31	88	23	73	sl
Taipei	18	64	14	57	r
Tokyo	9	48	-4	25	fr
AFRICA					
Algiers	13	55	3	37	r
Cape Town	26	79	14	57	fr
Casablanca	16	61	10	50	cl
Harare	23	73	17	63	c
Lagos	31	88	25	77	c
Nairobi	28	82	11	52	c
Tunis	13	55	5	41	c
LATIN AMERICA					
Buenos Aires	25	77	15	59	r
Lima	28	82	19	66	c
Mexico City	24	75	6	43	fr
Rio de Janeiro	28	82	22	72	fr
NORTH AMERICA					
Anchorage	-6	21	-19	-2	sn
Atlanta	16	61	7	45	sn
Boston	6	43	1	34	r
Chicago	-4	25	-9	16	sn
Denver	6	43	-7	19	sn
Detroit	-1	30	-9	16	sw
Honolulu	29	84	19	66	fr
Houston	7	45	0	32	r
Los Angeles	21	70	6	43	fr
Miami	30	86	22	72	fr
Minneapolis	-9	16	-13	9	sn
Montreal	-1	30	-13	9	sn
Nassau	25	77	15	59	c
New York	8	46	2	36	r
Phoenix	19	66	4	39	fr
San Francisco	17	63	7	45	fr
Seattle	8	46	5	41	r
Toronto	-4	25	-11	12	sn
Washington	12	54	2	36	r

cl-cloudy; fr-fair; h-hail; o-overcast; pc-partly cloudy; r-rain; sh-showers; sn-snow; st-stormy.

THURSDAY'S FORECAST — CHANNEL: Not available. FRANKFURT: Fair. Temps. 1 — 5 (34 — 23). LONDON: Cloudy. Temps. 4 — 2 (39 — 36). MADRID: Cloudy. Temps. 5 - 2 (42 — 28). ROME: Fair. Temps. 10 — 1 (50 — 34). TEL AVIV: Cloudy. Temps. 23 — 8 (73 — 46). PARIS: Cloudy. Temps. 3 — 0 (37 — 32). ZURICH: Fair. Temps. 2 — 0 (36 — 32). BANGKOK: Fair. Temps. 31 — 22 (88 — 72). HONG KONG: Cloudy. Temps. 18 — 12 (64 — 54). MANILA: Fair. Temps. 30 — 19 (86 — 66). SEOUL: Fair. Temps. 6 — -4 (43 — 39). SINGAPORE: Showers. Temps. 31 — 25 (88 — 77). TOKYO: Fair. Temps. 10 — 1 (50 — 34).

هكذا من الاصل

هكذا من الأصل

WAR IN THE GULF: Has Saddam Hussein, frustrated by lack of Scud success against Israel, turned to Arafat for a proxy operation?

Israelis Say PLO Is Trying to Open 'New Front' in War

By William Claiborne
Washington Post Service

TEL AVIV — After two consecutive nights of rocket attacks from southern Lebanon and an attempted border incursion from Jordan, Israeli military and government officials said Wednesday that they believed the Palestine Liberation Organization had begun its long-expected proxy operations against Israel on behalf of Iraq.

The officials said President Saddam Hussein of Iraq, frustrated by the relative ineffectiveness of his missile attacks on Israeli civilian population centers and his failure to draw Israel into the war, had most likely instructed the PLO chairman, Yasser Arafat, to order his mainstream Fatah forces to harass Israel's northern and western fronts in hopes of increasing pressure on the Israeli government to enter the conflict.

"Saddam Hussein has started to open new fronts," said Colonel Ra'anan Gissen, an army command spokesman. "His missile attacks from the western desert didn't achieve the desired results. Now he's getting desperate and he's playing the PLO card."

Colonel Gissen added: "We may be seeing an intensification of efforts to penetrate our borders."

"I'd anticipate they will do more," he added, "and we will be ready for them."

A government spokesman, Yosi Olmert, said: "I think they are trying to open a new front in support of Iraq. But Lebanon is not Iraq, and there is no doctrine of not responding in that direction."

He was referring to Israel's policy of military restraint in the face of Iraq's attempts to provoke it into entering the war, thereby weakening the multinational coalition arrayed against Iraq.

Mr. Arafat has not taken responsibility on behalf of the PLO for the past two night's attacks on Israel's self-proclaimed security zone in southern Lebanon, or an attempted guerrilla infiltration from Jordan. But the commander of Fatah forces in Lebanon was reported to have said that rocket attacks aimed at northern Israel had been launched on Mr. Arafat's orders.

Colonel Zeid Wehbe was quoted as saying in Sidon: "We now have an open-war border with Israel. This is Saddam Hussein's northern front."

But the PLO command in Tunis was reported to have denied that Mr. Arafat had given any orders to fire on Israel, saying that Colonel Wehbe had been reprimanded.

Israeli officials said they expected Mr. Arafat to issue a disclaimer through his spokesmen. They said the PLO chairman could not afford to associate himself with Iraq's war effort openly and further alienate the moderate Arab nations that have been his principal sources of financial support.

Colonel Gissen said that Mr. Arafat "understands well that nothing good will come of his being so closely associated with Saddam's war." He added: "On the other hand, he can't ignore the pressure from the PLO rank and file, which is clearly in support of Iraq. The best he can do is quietly consent to terror attacks against us."

Israeli military officials said that Fatah forces, in concert with Palestinian and Lebanese militias operating in southeastern Lebanon, fired dozens of Katyusha rockets toward the Israeli border Monday and Tuesday nights.

Colonel Gissen said the army command had "hard" intelligence that the radical, pro-Iranian Hezbollah militia operating in southeastern Lebanon, which frequently has clashed with Palestinian forces and Lebanese militias in the region, had assisted in setting up the multiple-rocket launchers aimed at Israel's border.

The rockets fell short and landed in the buffer zone in southern Lebanon that is controlled by Israel's surrogate force, the South Lebanon Army.

Israeli forces responded by firing on Fatah strongholds in the Rashadiyeh refugee camp, near Sidon, from offshore gunboats and from artillery batteries in the security zone, army spokesmen said.

Early Wednesday, the army command said, an Israeli patrol in the Jordan Valley encountered two armed men who had crossed the border near the Adam Bridge, killing one of them in an exchange of fire and pursuing the other until he crossed back into Jordan. A military spokesman said the infiltrator who was killed was wearing a Jordanian Army uniform and carrying an M-16 rifle.

Who's Cheating on Embargo? 700 Cases Cited Worldwide

By Karen Tumulty and Ronald J. Ostrow
Los Angeles Times Service

WASHINGTON — U.S. law enforcement and intelligence agencies have detected more than 700 cases in which companies and individuals worldwide have attempted to sell munitions and other goods to Iraq, including at least 20 cases in the United States.

The efforts to circumvent the 5-month-old international embargo are believed to be continuing even in the midst of war — hostilities that pose greater dangers to smugglers, but also bring potentially higher profits. Current estimates represent a marked increase from only a few weeks ago, when sources were saying they had evidence of about 500 violations.

"There are sleazeballs out there who are out to make a buck," said a U.S. Customs Service spokesman, Dennis Shimkoski. He said some people, not content simply to break the embargo, were also "trying to profit by sending munitions."

Officials said that over the last six weeks to two months, they have also noticed a marked change in the type of items that Iraq is trying to secure from illicit suppliers.

Whereas Iraq's initial smuggling efforts involved mostly food, investigators now are detecting attempts to procure an array of manufactured goods, ranging from ballpoint pens to steel.

The cases that have been detected may represent only a fraction of the violations, the officials said.

German companies, accused of helping Iraq build such vital military assets as chemical weapons and even President Saddam Hussein's bunker before the Gulf crisis, are believed to be some of the most frequent violators of the embargo.

In December, the United States gave the German government a secret list of 50 German companies suspected of trying to sell Iraq items that ranged from meat and milk to weapons parts. In recent weeks, complaints by the United States and other countries have more than doubled that list to 110.

In initial investigations, the German government cleared 25 companies of wrongdoing, and was expected to issue similar findings against 30 more. Only nine of the cases have been referred for official investigation.

"We've had continuing problems with Germany," said Representative Bud Shuster, Republican of Pennsylvania, a member of the House Permanent Select Committee on Intelligence. "We are very disappointed."

Mr. Shuster said that a number of other countries were "leaking like sieves."

"Jordan, for example," he said.

Jordan, which shares a border with Iraq and has large numbers of Iraqi sympathizers among its population, was slow to apply the sanctions. Jordan's King Hussein subsequently promised to vigorously enforce the international embargo.

It was unclear how many of the cases being investigated in the United States involved American businesses. Officials said they believed that foreign companies, particularly in Western Europe, were responsible for the vast majority of embargo violations.

"We have a long way to go to make these economic sanctions effective," said Representative Doug Bereuter, Republican of Nebraska, also of the House intelligence committee. "It is clear to me on the basis of information that I have seen that companies have violated the embargo in important ways."

Nonetheless, officials insisted, the embargo is proving tighter than any similar international effort in recent history, cutting off 90 percent of Iraq's imports and 97 percent of its exports. Moreover, many of the efforts to violate the embargo have failed, they said.

U.S. Customs, which has jurisdiction over cases in the United States, has 40 "ongoing investigations" involving Iraq, Mr. Shimkoski said.

Even before the Gulf crisis erupted in August, it was illegal for U.S. companies to sell Iraq arms or other strategically valuable items without a license. Indeed, about half of the 40 investigations were under way before Iraq's invasion of Kuwait, said Andrew Garlichs, acting director of strategic investigation for the Customs Service.

Officials, fearing that their intelligence-gathering methods might be compromised, declined to be specific about their sources of evidence. But much was believed to come from telephone and facsimile communications that are monitored by the government.

Reuters

A U.S. Marine lifting a shell for a 155mm howitzer during artillery fire Wednesday against Iraqi positions near Khafji, Saudi Arabia.

Sheltering Planes, Iran Bids for Power

By Barton Gellman and David Hoffman
Washington Post Service

WASHINGTON — U.S. government and allied analysts are continuing to puzzle over the exodus of Iraqi warplanes into Iran, among the most surprising developments in two weeks of war.

Most of those interviewed said they saw Baghdad's motive as desperation in the face of systematic bombing of a largely grounded air force. Tehran's offer of sanctuary to a once-bitter enemy was generally viewed as a bid for power and influence in shaping Gulf security arrangements after the war.

The White House announced Tuesday that U.S. officials had received fresh assurances from Iran "within the last 24 hours" that all Iraqi warplanes seeking sanctuary in Iran would remain impounded until the end of the war, and a top Iranian diplomat said there were no circumstances in which Tehran would release the planes before then.

The White House spokesman, Marlin Fitzwater, said that the Iraqi jets — now numbering more than 90 — would be "watched continually" by the allies, and U.S. military officials vowed to destroy them if they left Iranian sanctuaries.

Iran has also been reminded by Britain and other governments that Tehran's neutrality in the conflict precludes refueling the Iraqi fleet or aiding its re-entry into battle, diplomatic sources said.

Iran's ambassador to the United Nations, Kamal Kharrazi, said Tuesday night, "These airplanes are seized and they will be seized until the war is over."

Asked in a CBS television interview whether Israel's entry into the war could change his government's commitment, he said, "Liberation of Palestine does not justify occupation of Kuwait."

He also rejected assertions by President Saddam Hussein of Iraq that the confrontation over Kuwait was "a war between believers and infidels."

U.S. officials are uncertain about whether Mr. Hussein is controlling the exodus of the warplanes, although he is believed to concur in the strategy.

"When we began to earnestly hit the planes inside their hardened shelters, yes, they started to flee," a senior Pentagon official said Tuesday night. "I think it would be irresponsible for me to say for certain that's why they started to flee. But there is that unmistakable sequence."

The mass flight of Iraqi planes to Iran is widely viewed by the allies as "more a sign of weakness than a sign of some devious plot." Lieutenant General Thomas W. Kelly, senior operations officer for the Joint Chiefs of Staff, said Tuesday.

He said that although the exodus represented a significant fraction of the best Iraqi jets, "a large number of first-class aircraft" remained in Iraq.

Thus far, he said, the Iraqi planes had chosen to bolt for Iran when out of range of allied fighters. But "if we find enemy aircraft in Iraqi airspace or Kuwaiti airspace," the general said, "we will engage them and shoot them down."

A senior diplomat from an Arab country fighting Iraq said Tuesday that the first Iraqi flights to Iran "really shook us."

He said the Iranians had been warned that if the Iraqi planes returned to combat — a move that would require refueling and maintenance in Iran — then Tehran would be held accountable.

"If those aircraft fly, that's it. Iran is involved in the war," he said.

"The Iranians know they cannot con us," the diplomat added. "They cannot say, 'Sorry, they took off.' There is no way. And we put them on notice: Please don't get involved."

U.S. confidence in Tehran's pledge of neutrality is based on an assumption that Iran wants to avoid angering other nations that have military forces committed to the coalition, a U.S. official said.

"Even though there are no warm feelings for America," the official said, "Iran would alienate many others with whom it would like better relations."

A senior government official said that Iran had sent numerous messages to Washington, including some in which the Soviet Union served as intermediary, promising not to return the warplanes to Iraq during the conflict or perhaps at all. President Hussein is "not going to get them back," the official said.

In the short term, by granting sanctuary to the planes, Iran gains leverage with Washington.

"It means the United States is making overtures to the Iranians to make sure they don't let these aircraft re-enter the war," Charles Kupchan, a Gulf specialist at Princeton University, said. "It's a risk-free way for the Iranians to play a role."

The senior Arab diplomat in Washington described Iran's motives in more cynical terms, saying Tehran was giving the Iraqi leader just enough rope to hang himself.

The Iranians, he said, "want to destroy Saddam Hussein, but they're scared to death he will do the right thing" and pull Iraqi forces out of Kuwait before he is defeated."

The diplomat recalled that Iran earlier allowed some food to be shipped to Mr. Hussein, despite UN sanctions, "to give him the sense of confidence."

By the same token, Iran's leadership now intends to give the Iraqi leader a false sense of security that his planes are safe and possibly can be used another day.

Egypt Warns Sudan With Air Exercise

By Youssef M. Ibrahim
New York Times Service

CAIRO — Egypt said Wednesday that its air defense forces conducted military exercises with missiles near the southern borders with Sudan in an apparent warning to the Khartoum leadership against any attempt to station Iraqi missiles or airplanes there.

The announcement, published on the front page of the government-owned newspaper Al Ahram, follows repeated warnings from President Hosni Mubarak that he would attack Sudan if Egypt found any proof of an Iraqi transfer of weapons to that country.

On Jan. 22, after demonstrators in Sudan called for an attack on the Aswan Dam, Mr. Mubarak said that if Sudan allowed Iraq to position any weapons to attack Egypt, he would respond decisively and Sudan would "pay a high price," as would any Sudanese official who allowed such a development.

Gaafar Nimeiri, who was deposed as president of Susdan in 1985 and who now lives in Egypt, was asked in an interview Wednesday whether President Saddam Hussein of Iraq had stationed weapons in Sudan.

"Sudan has used chemical weapons and Iraqi planes in the war in the south," he said, referring to the government's fight against rebels in southern Sudan.

"On this basis," Mr. Nimeiri said, "we can expect that Saddam may hide some of his weapons in Sudan. The whole world is looking for Iraqi mobile missile launchers, and why do we not consider that they are hidden in Sudan."

President Mubarak, meanwhile, left Cairo on a surprise visit to Libya for talks with Colonel Moammar Gadhafi. In the absence of an official explanation, there was speculation that Mr. Mubarak's trip may be tied to the rising tension between Egypt and Sudan and fears in Cairo that Iraqi planes that fled to Iran may relocate to Sudan and Yemen, a senior Egyptian official said.

Should such a development take place, the official said, the scope of the war may widen beyond the Gulf region to include other Middle Eastern countries.

The possibility of Iraq stationing some of its planes in Sudan was dismissed Wednesday by Iran, which reasserted its intention to hold on to the 90 or so Iraqi planes that have landed there.

In its report, Al Ahram quoted a military spokesman as saying that Egyptian air defense forces had launched two missiles on training targets in an unidentified base south of the High Dam of Aswan, close to the Sudanese border.

Al Ahram said that the move was taken in the context of "raising the degree of preparedness of units of the air defenses in southern Aswan military sector."

STRIKES : *12 Marines Killed*

(Continued from page 1)

Cliff Myers described the fighting as "hellacious."

The heaviest fighting was right at the Saudi-Kuwait border, according to the pool dispatches by reporters in the area. They said that when the Iraqi assault began the allies had troops patroling Khafji but that there were no soldiers stationed in it.

Units from the 1st Marine Division rushed to the outskirts of Khafji and began lobbing artillery at the approaching Iraqis, pool reports said.

Marines also apparently engaged a larger Iraqi force with TOW-firing vehicles and air support from air force A-10s, Marine A-6 bombers and Marine AH-1 Cobra attack helicopters.

The Marines then pulled back, and Saudi soldiers were sent in to take over the fighting, a senior U.S. military official in Riyadh said.

By midafternoon, some Iraqi soldiers remained in Khafji, and the Saudi troops were "trying to talk them into surrendering," the military official said.

Hours after the Iraqi advance, Baghdad radio reported that President Saddam Hussein had taken personal charge of preparations for a ground offensive.

The radio said Mr. Hussein drew up plans for a ground offensive during a meeting of the supreme Revolutionary Command Council in Baghdad on Saturday, then visited the southern province of Basra on Sunday "to give his latest instructions on the implementation of the ground attack plan."

Air-sea clashes were also reported in the Gulf on Wednesday, and allied bombers continued to strike targets deep in Iraq.

British Navy helicopters apparently sank four Iraqi boats and damaged 12 Wednesday night, including one armed with an antiship Exocet missile, a Royal Navy spokesman said in Riyadh.

In a briefing, Commander John Tighe said that U.S. and Saudi forces also had engaged Iraqi Navy targets in the Gulf but that he had no details of what had happened.

He said the four vessels believed sunk were patrol craft. Three of the larger Iraqi vessels attacked were a minelayer and two patrol boats, one of which was armed with an Exocet missile, Commander Tighe said.

Commander Tighe said the British ships that launched the helicopters were farther north in the Gulf than any had been previously in the war.

(AP, Reuters, UPI, NYT)

Slick: Water at 'High Risk'

By Michael Isikoff
Washington Post Service

DHAHRAN, Saudi Arabia — The head of the U.S. team dispatched to help fight the Gulf oil slick said Wednesday there was a "very high risk" that the spill could penetrate protective barriers and contaminate key water purification plants along Saudi Arabia's eastern coastline.

Comments from Captain Donald Jensen of the U.S. Coast Guard, who helped oversee the cleanup of the 1989 Exxon Valdez oil spill in Alaska, augmented fears that Saudi water supplies might be in danger.

As the slick, which is 50 kilometers (30 miles) long, floated south from Kuwait, Saudi officials said that coastal desalination plants were protected by rows of plastic booms.

But Captain Jensen said the slick could inundate the plants if strong winds pushed the oil onto the coastline.

"That's a possibility," he said. "If the full onslaught hits a very little boom, there's no way it's going to protect it."

Another danger, he said, was that the slick could break up, forming "tar balls" that would sink below the surface, then be swept by currents into the plant's filters.

"It takes a small quantity of oil to foul up those filters," he said.

Environmental and health experts here say that eastern Saudi Arabia depends almost entirely on desalination plants fed by seawater from the Gulf.

The most critical and immediately threatened of the plants is in the industrial city of Jubail.

About 160 kilometers south of the Kuwaiti border, the facility supplies water for large portions of northeastern Saudi Arabia, including Riyadh.

Abdullah E. Dabbagh, director of research at the King Fahd University of Petroleum and Minerals, said Wednesday that projections showed the slick, which is estimated to contain about 11 million barrels, was two to three days away from the Jubail area.

"Everybody is very worried, no doubt about it," said Mr. Dabbagh.

"We don't know what will happen with this monster. Nobody has ever had any experience with anything like this."

There had been reports in recent days of panic buying of bottled water in Jubail.

In addition, sources said, the government has made contingency plans to draw on the small amounts of underground water from wells and mix it with stored water from the desalination plants.

Blaming the slick on Saddam Hussein's decision to dump oil into the Gulf, a spokesman for the Meteorological and Environment Protection Administration said, "All of us are appalled that anyone, let alone a leader of an Islamic nation, would have such disregard for his God-given responsibilities."

General H. Norman Schwarzkopf, commander of allied forces, said the Kuwaiti terminal where the slick originated had been leaking for several days.

Captain Jensen, who heads a U.S. team that consists of officials from the Environmental Protection Agency, the National Oceanic and Atmospheric Administration, and the Army Corps of Engineers, said that his group was completing its assessment of the slick and would advise the Saudi government.

Iran to Treat Pilots as POWs

The Associated Press

NEW YORK — The Iranian ambassador to the United Nations, Kamal Kharrazi, said on an NBC News program Wednesday that Iraqi planes that have flown into Iran in recent days "are seized and the pilots are kept inside Iran."

He added that the pilots would be "as prisoners of war."

General H. Norman Schwarzkopf, commander of allied forces in the Gulf, said Wednesday that 89 Iraqi planes had flown to Iran. Tehran has said it will remain neutral in the war.

The Analysts' View: Day 14

Four strategists pick the major development in the last 24 hours of the war.

Robert E. Hunter | François Heisbourg | Ze'ev Schiff | Abdul-Karim Abou-Nasr

ROBERT E. HUNTER
Vice president of the Center for Strategic and International Studies in Washington.

In the most important facet of the Baker-Bessmertnykh statement on the Middle East, the United States acknowledges that the Soviet Union will share leadership in postwar diplomacy. This reflects continued Soviet interest in the region; it also represents a return to U.S. efforts to protect the Gorbachev government against the domestic political costs of Soviet strategic retreat. In exchange, the U.S. gains promises of better Soviet behavior in the Baltics.

FRANÇOIS HEISBOURG
Director of the International Institute for Strategic Studies in London.

The substantial Iraqi raid into the border town of Khafji goes beyond the aggressive patrolling that armies undertake in order to secure tactical intelligence while having some propaganda value. The incursion into Khafji indicates that Iraq is trying to provoke the coalition's ground forces into premature offensive action. In military terms, time is not Saddam Hussein's ally and his interest is to precipitate ground operations before his frontline forces have been cut off from the rear by tactical air operations.

ZE'EV SCHIFF
Military editor of the Tel Aviv daily Ha'aretz.

Yasser Arafat promised, on behalf of the Palestine Liberation Organization, that the Palestinians would be in the trenches with the Iraqis. He himself was quick to leave Baghdad before the war. But his men have tried their hand on the Lebanese border with a broad volley of fire aimed at Israel. This attempt to open a second front against Israel will undoubtedly meet with a vigorous response. In actively joining in league with Saddam Hussein, the PLO leadership has made a historic error. But this has not put an end to the Palestinian problem and the need to solve it.

ABDUL-KARIM ABOU-NASR
Editor and political commentator with leading Arab publications since 1965; now working with a Kuwaiti daily, Al Qabas.

The significance of the U.S.-Soviet statement offering a cease-fire is that Washington and Moscow intend to take the lead jointly in framing postwar Middle East stability. The European role will be minimized. This approach will cause unhappiness among some allies, especially France, which considered that it earned a place at the negotiating table because of its participation in the war coalition and its special Arab ties.

Italian Admiral Resigns Gulf Post

Reuters

ROME — The head of Italy's naval forces in the Gulf resigned Wednesday after he was quoted in a magazine interview as saying the war with Iraq could have been avoided.

Interviewed in Italy's largest-selling magazine, the Catholic weekly Christian Family, Rear Admiral Mario Buracchia, 50, was quoted as saying that the conflict might have been averted and as suggesting that Italian forces in the Gulf had probably been made fools of. The admiral, who commands a four-ship Italian contingent in the Gulf, did not elaborate.

Amman Asserts 4 Jordanians Died As U.S. Jets Bombed Highway to Iraq

The Associated Press

AMMAN, Jordan — Foreign Minister Taher Masri said U.S. warplanes bombed civilian traffic in Iraq near the Jordanian border on Wednesday, killing four Jordanians and an Egyptian.

In Saudi Arabia, U.S. military spokesmen said that allied aircraft had dropped cluster bombs on mobile Scud missiles that Iraq often stations close to major highways.

Mr. Masri warned that his country would respond if the attacks recurred but did not describe the nature of the response.

Mr. Masri told legislators: "U.S. strikes on Jordanian civilian cars have led to the deaths of four Jordanian civilians and one Egyptian today."

He added that "U.S. strikes also caused the destruction" of five oil tank trucks Tuesday and four Wednesday.

He said the attacks occurred in Iraq on the highway linking Baghdad with the Jordanian capital. Jordan is officially neutral in the Gulf conflict. He called the highway "a lifeline between Iraq and Jordan."

Mr. Masri said he had summoned the U.S. ambassador, Roger Harrison, and relayed Jordan's "strong condemnation over the U.S. strikes against civilians and civilian targets near Jordanian territory."

Confidence Vote On Belgian After Visit of Guerrilla

Reuters

BRUSSELS — Foreign Minister Mark Eyskens, who is under pressure to resign over his role in a visit from a leading Palestinian guerrilla, faces a crucial parliamentary vote of confidence Thursday.

Aides to Prime Minister Wilfried Martens said Wednesday that Mr. Eyskens should step down if he lost the vote in the Chamber of Deputies over the visit of Walid Khaled, spokesman of Abu Nidal's group, the Fatah Revolutionary Council.

"Logically he will have to bear the consequences and resign," said an official.

Mr. Eyskens, a former prime minister, expressed fears that he might not survive the vote. "I'm not certain to get the vote of confidence in parliament," he told Belgian newspapers.

Western security services fear that the Palestinian group might stage terror attacks. Mr. Khaled's visit Jan. 16 on a tourist visa raised protests; three Foreign Ministry officials resigned.

Algerian Medical Team Departs for Baghdad

Reuters

ALGIERS — An Algerian medical team left for Baghdad on Wednesday to help staff Iraqi hospitals.

The group included 15 doctors, the first of 300 who have volunteered to serve in Iraq, the Algerian news agency APS reported.

A Retired Turkish General Is Gunned Down in Ankara

By Jonathan C. Randal
Washington Post Service

ANKARA — Three terrorists shot and killed a prominent retired Turkish Army general here Wednesday, possibly escalating a campaign against President Turgut Ozal's decision authorizing U.S. warplanes to use Turkish bases to bomb Iraq.

The general, Hulusi Sayin, an adviser to the prime minister's office and until last year security chief in the southeast, where Marxist Kurds have been fighting the government since 1984, was shot four times in the head as he drove up to his suburban home just after dark, the semiofficial Anatolian news agency reported.

Before the assassins made good their getaway, Turkish newsmen said, they left a note claiming that the extreme leftist terrorist organization Dev-Sol was responsible for killing the 64-year-old officer on the grounds that he was "a tool of imperialism."

But Necettin Belcin, the national police commander, said that KUK, a small, radical Kurdish group, had carried out the murder, presumably to avenge losses inflicted by security forces on the Marxist rebels of the Kurdish Workers Party.

About 2,600 people have died in the violence, which so far has been circumscribed to Kurdish regions of southeastern Turkey, close to the Iraqi and Syrian borders.

Since the war began two weeks ago, Dev-Sol has taken responsibility for a string of attacks against U.S. and other Western targets in Istanbul, Izmir, Adana and Ankara. Those attacks have caused only minor damage and minor injuries to a few bystanders.

WAR IN THE GULF: "Time," Bush tells Congress, "will not be Saddam's salvation"

GULF: *Allies Cut Supplies to Iraqis in Kuwait by 90%*

(Continued from page 1)

ably marked the destruction of the major ammunition depot in Kuwait, which supplied all the Iraqi forces in the occupied country.

"That, plus the bridges knocked out, means that what they have got is what they have got," he said, "and when they have used that they are going to be hurting."

In other raids, General Schwarzkopf added, allied aircraft have hit 125 concrete revetments, convoys, tank columns, missile sites and artillery emplacements. From noon Tuesday to 3 A.M. Wednesday, allied aircraft reported the destruction of at least 178 trucks, 52 tanks and 55 artillery pieces.

General Schwarzkopf said allied aircraft had flown 535 sorties against 31 targeted nuclear, chemical and biological weapons sites. All had been hit, half had been severely damaged and attacks were continuing on what he called these "heinous" facilities.

The general said all Iraq's nuclear facilities were destroyed and that a reactor near Baghdad had been flattened to rubble. He discounted fears of nuclear contamination because, he said, detailed scientific advice had been taken before the attacks, and special munitions and forms of attack had been used.

The commander said aircraft had flown about 1,500 sorties in an attempt to knock out Scud missile launchers that have been used in attacks against Israel and Saudi Arabia. He said all 30 fixed launching sites and missile production facilities had been eliminated. Aircraft are continuing to hunt down the elusive mobile launchers, the general added.

He showed video of a night raid in which a group of launchers and accompanying vehicles were hit with cluster bombs that erupted across the landscape in a sea of fire and secondary explosions. In that attack, at least three launchers and three servicing vehicles were destroyed, he said. Another attack in western Iraq eliminated three other launchers and probably preempted an attack on Israel on Tuesday night, he added.

In wide-ranging attacks throughout Iraq, a quarter of the country's electricity-generating capacity has been destroyed and much of the rest "degraded," General Schwarzkopf said. Three-quarters of Iraq's command and control facilities have been attacked, and a third of them are completely destroyed or inoperative, he said.

While this does not mean that commanders cannot communicate with their units, he said, "they have to go round in circles" to do so.

General Schwarzkopf said that allied air superiority had given way to total air supremacy, meaning that allied planes could now concentrate on isolating Kuwait.

After repeated allied attacks on airfields, the Iraqi Air Force tried to hide its planes in hardened shelters. General Schwarzkopf said U.S. F-111 bombers and other planes had had remarkable success in hitting the shelters with precision bombs, destroying at least 70. As a result, he said, the Iraqis were "running out of places to hide."

PEACE: *U.S. Plays Down Joint Soviet Communiqué*

(Continued from page 1)

U.S.-Soviet intent. Spokesmen for Mr. Bush and Mr. Baker denied that the United States had agreed to issue a conciliatory statement on the Gulf in return for a calming of Soviet military actions against independence-minded Baltic states.

The State Department spokeswoman, Margaret D. Tutwiler, said the communiqué did not go beyond a joint statement on the Middle East issued by Mr. Bush and Mikhail S. Gorbachev, the Soviet president, in September.

On its face, the communiqué seemed unusual in two respects. It appeared to step back from previous U.S. policy calling for an immediate withdrawal of Iraqi forces from Kuwait. And its discussion of efforts to solve the Arab-Israeli dispute seemed to suggest linkage of an Iraqi withdrawal to efforts to address Palestinian demands.

The Iraqi president, Saddam Hussein, has demanded such linkage, which the United States has opposed as an unwarranted reward for aggression.

"There's no change in policy," Mr. Fitzwater said. "There's no linkage from our point of view, and massive withdrawal is the way for Saddam Hussein to get out of Kuwait."

He added: "We're anxious that no one should think we're altering our policy."

Any suggestion of linkage to the broader Middle East peace process was regrettable, Mr. Fitzwater said.

Mr. Bessmertnykh agreed that the communiqué did not represent linkage of any kind.

The communiqué was issued a day after a spokesman for Mr. Gorbachev raised anew Kremlin concerns that the continuous bombing of Iraq by the U.S.-led coalition went beyond the United Nations mandate and that the civilian toll inside Iraq was heavy.

Mr. Bush had said there would be no pause in the bombings.

Some independent analysts said it appeared that the United States wanted to address Moscow's concerns in an effort to shore up possible cracks in the U.S.-led coalition against Iraq and to permit Mr. Gorbachev to tell his generals and his allies in the Arab world that he was playing a moderating role in the crisis.

The statement also provided the United States an opportunity to declare again that it did not seek the destruction of Iraq and that it sought to avoid civilian casualties. According to the statement, the United States does not threaten Iraq's territorial integrity and is not interested in expanding the conflict.

"The ministers continue to believe that a cessation of hostilities would be possible if Iraq would make an unequivocal commitment to withdraw from Kuwait," the statement read.

ARMS: *Success for SDI*

(Continued from page 1)

course as they speed through space, not as a missile takes off or after its warheads re-enter the earth's atmosphere.

Although the test was a first for the SDI program, begun by President Ronald Reagan in 1983 and initially financed in the 1985 fiscal year, a similar but less advanced test was undertaken in 1984, in a program started by the Carter administration.

The new interceptor, known as the Exoatmospheric Re-entry-Vehicle Interceptor System, or Eris, after the Greek goddess of strife, is smaller, lighter and "smarter" than the earlier interceptor.

More important, it is meant to be a working weapon rather than a research tool.

The Eris interceptor, fired from Meck Island in the Kwajalein Atoll, flew into space and collided over the South Pacific with the mock warhead from a Minuteman intercontinental ballistic missile launched from Vandenberg Air Force Base in California.

"It was an unqualified success," said a Pentagon official, who asked not to be identified and who strongly supports the program.

He said the test was "a very significant step" for the program.

John E. Pike, head of space policy for the Federation of American Scientists, a private group based in Washington that is generally skeptical about SDI's feasibility, said the Pentagon was overstating the test's importance, even if it proved to be as successful as described.

"It took them 25 years to get Patriot to work," he said. "Right now, this thing is where Patriot was in the 1970s."

Mr. Pike added that the test might nonetheless aid SDI's political fortunes.

"The Patriots and the Scuds have led the 'star wars' people to believe they have a new lease on life," he said.

The Eris's range of more than 100 miles is dramatically greater than that of the Patriot system, in theory increasing the area on the ground that it can protect.

'So That Peace Can Prevail, We Will Prevail'

Compiled by Our Staff From Dispatches

Following are excerpts from President George Bush's State of the Union address delivered Tuesday before Congress.

THE GULF WAR

The world well knows how this conflict began and when: It began Aug. 2, when Saddam invaded and sacked a small, defenseless neighbor. And I am certain of how it will end. So that peace can prevail, we will prevail.

I'm pleased to report that we are on course. Iraq's capacity to sustain war is being destroyed. Our investment, our training, our planning — all are paying off. Time will not be Saddam's salvation.

We do not seek the destruction of Iraq, its culture, or its people. Rather, we seek an Iraq that uses its great resources, not to destroy, not to serve the ambitions of a tyrant, but to build a better life for itself.

Together, we have resisted the trap of appeasement, cynicism and isolation that gives temptation to tyrants.

Each of us will measure, within ourselves, the value of this great struggle. Any cost in lives is beyond our power to measure. But the cost of closing our eyes to aggression is beyond mankind's power to imagine."

THE SOVIET UNION

Our relationship with the Soviet Union is important, not only to us, but to the world. But, like many other nations, we have been deeply concerned by the violence in the Baltics, and we have communicated that concern to the Soviet leadership.

The principle that has guided us is simple: Our objective is to help the Baltic peoples achieve their aspirations, not to punish the Soviet Union. In our recent discussions with the Soviet leadership, we have been given representations, which, if fulfilled, would result in the withdrawal of some Soviet forces, a reopening of dialogue with the republics, and a move away from violence.

We will watch carefully as the situation develops. And we will maintain our contact with the Soviet leadership to encourage continued commitment to democratization and reform.

THE ECONOMY

I know, tonight, in some regions of our country, people are in genuine economic distress. I hear them. I understand. And I'm not unrealistic about the future. But there are reasons to be optimistic about our economy. We will get this recession behind us and return to growth — soon. We will get on our way to a new record of expansion and achieve the competitive strength that will carry us into the next American century.

If anyone tells you America's best days are behind her, they're looking the wrong way. *(Reuters, NYT)*

BUSH: *U.S. Stands at 'Defining Hour,' President Says*

(Continued from page 1)

"We will get this recession behind us, and return to growth soon."

The president described the recession as a temporary interruption to the longest peacetime expansion in history.

Mr. Bush devoted a significant part of his speech to domestic policy initiatives, but nearly all of them were offered last year or have been previously announced. He offered a scaled-down version of former President Ronald Reagan's "new federalism" initiative in the form of turning over to the states several billions in unspecified federal programs and money to pay for them.

Describing America as a "nation that believes in the future," Mr. Bush reached into the past for proposals from the first two years of his administration — and from previous Republican presidents.

Chief among them was a call to turn as much as $20 billion in federal programs over to the states for them to run free from federal regulations. Proclaiming the "innovative power of 'states as laboratories,'" Mr. Bush said, "Where power cannot be put directly in the hands of the individual, it should be moved closer to the people — away from Washington."

The idea is hardly a new one. In his 1982 State of the Union address, Mr. Reagan outlined the "new federalism" that would turn more and more programs over to states to run. That, in turn, was reminiscent of former president Richard Nixon's program turning federal revenues over to states.

Mr. Bush used the newly minted theme of empowering individuals to describe a number of other previously proposed initiatives: He would enable "parents to choose their children's schools," encourage "tenant control and ownership of public housing" and create enterprise zones to encourage investment in run-down neighborhoods.

Mr. Bush offered a minimalist approach on several domestic issues and said little about difficult economic problems. He did not mention the record size of the federal deficit, and paused to discuss the nation's economic woes only long enough to vow, "We will get this recession behind us."

On civil rights, Mr. Bush said that all Americans had a "responsibility to speak out against racism, bigotry and hate." But he offered no new proposals, pledging only to "continue our vigorous enforcement of existing statutes" and to oppose hiring quotas.

Mr. Bush also gave only brief mention to previous commitments to develop policies on energy and health. He called for "conservation and efficiency, increased development and greater use of alternative fuels," and pledged new "prevention initiatives" to promote a "healthier America."

While seeking to pacify conservatives in his party by standing by his 1988 campaign pledge to cut taxes on capital gains, Mr. Bush also sought to avoid rekindling a political confrontation over the issue with Democrats. He recommended that the chairman of the Federal Reserve Board, Alan Greenspan, mediate the dispute over whether the cut would reduce tax receipts, as the congressional Joint Committee on Taxation maintains, or would increase them, as the administration contends.

The president also endorsed the long-awaited Treasury report on the overhaul of deposit insurance and the financial system, but he revealed no specifics about the proposals. The report, due next week, is expected to recommend the most far-reaching changes since the Depression, including the abolition of the laws that prohibit banks from underwriting securities and from doing business across state lines.

Gulf Notes

■ **Kuwait's** 17 Kentucky Fried Chicken shops were moved to Baghdad by Iraq, the corporation's president, John Cranor, said in Auckland, New Zealand, Wednesday. "The Iraqi troops went in, ate all of the chicken and dismantled all of the equipment," he said. *(AFP)*

■ **A ground war** in the Gulf will cause burn injuries in 20 percent to 30 percent of the wounded, the director of the French military health service, Dr. Jean Blade, said in Paris on Wednesday. He said the French military had established a special burns unit in Riyadh. U.S. medical teams, also preparing to treat burned soldiers, are collecting skin from cadavers, according to the American Red Cross. The skin will be sent to military hospitals in the United States, a spokeswoman said. *(AFP)*

■ **About 50 Iraqi** military personnel have been stranded in Czechoslovakia because of the war, the Czechoslovakian Interior Ministry said on Wednesday. A spokesman said the Iraqis were attending a technical training course at a military institute when war broke out. *(Reuters)*

■ **An Israeli inventor,** Jonathan Rabinowitz of Tel Aviv's University School of Social Work, has come up with a visual missile alert for the deaf. It monitors radio waves and flashes a light as well as sounding a buzzer when the sirens go off. It also reports when the all-clear sounds. *(AFP)*

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WAR IN THE GULF: As Bonn and Tokyo step up aid to the allies, the Muslim issue raises greater strains in African and Asian nations

Germany To Supply Israel

Package Includes Patriot Missiles

Compiled by Our Staff From Dispatches

BONN — Germany said Wednesday that it would provide Israel with Patriot air-defense missiles and "sniffer tanks" for detecting chemical weapons to protect against any attack from Iraq.

Bonn, which has been criticized for its low profile in the war, will also provide equipment for combating the effects of chemical and biological weapons, a government spokesman, Dieter Vogel, said.

The government promised unspecified financial support for helping Israel build two submarines that Israel wants for its coastal defenses, Mr. Vogel said.

Bonn also will send "large amounts" of medical equipment and medicine, as well as 58 vehicles that are designed to protect against poison gas. Mr. Vogel said Israel would receive other supplies for "the protection of the populace against dangers that could arise from the use of biological and chemical weapons." He did not elaborate.

Mr. Vogel said Israel had asked for and was getting a battery of U.S.-made Patriot anti-ballistic missiles with eight launchers.

Israel will receive eight German-built Fuchs armored personnel carriers designed for detecting and analyzing chemical, biological and nuclear weapons on the battlefield. Germany is also offering similar vehicles from stocks of the former East German Army.

Mr. Vogel said the financing and the equipment were to "serve solely to defend Israel and its people" and showed the special responsibility "it by Germany toward the Jewish state.

Government sources estimated that the package would cost Bonn about a billion Deutsche marks ($670 million).

Chancellor Helmut Kohl pledged on Tuesday to contribute to Israel's defense after being stung by revelations that Iraqi rockets and chemical weapons threatening Israel were partly developed by German companies and technicians.

He said in a speech Wednesday before the Bundestag, or parliament, that Germans must shoulder their responsibilities in the war. Mr. Kohl pledged that Germany would pay a fair share of war costs.

He warned that tax increases would probably be necessary to finance future contributions.

The government interprets Germany's constitution as banning the dispatch of German troops to combat zones outside the North Atlantic Treaty Organization theater, but Mr. Kohl said he would seek to amend it to allow German soldiers to participate in United Nations peacekeeping missions.

"There can be no safe little corner in world politics for us Germans," Mr. Kohl said. "We have to face up to our responsibility, whether we like it or not.

"Until now, we have worked actively and successfully for the world's economic stability. This will no longer be enough."

On Tuesday, responding to criticism that his government had not contributed enough to the effort in the Gulf, Mr. Kohl announced that Germany would send an additional $5.5 billion to the allied coalition. According to official figures, that raises the German contribution to slightly more than $9 billion.

Mr. Kohl also pledged that Germany would fulfill its NATO obligations to Turkey, where a squadron of German jets has been based since the beginning of January.

Newspapers reported Wednesday that the Israeli delegation to Germany on arms had also asked Bonn for Hawk and Stinger air-defense missiles among the military supplies it was seeking.

(Reuters, AP, NYT)

Doaa Vrazic/The Associated Press

An Egyptian smiling Wednesday as he carries a heavy load into a refugee camp at the Jordan border after crossing from Iraq. It was the first time in two weeks that Egyptians were allowed to leave.

Kaifu Heckled as He Defends Gulf Aid

Reuters

TOKYO — Prime Minister Toshiki Kaifu ducked opposition heckling and shoes thrown from the public gallery in parliament on Wednesday as he defended Japan's pledge of $9 billion for the U.S.-led Gulf force.

Opposition members of parliament heckled, groaned and pounded on their desks with their fists to protest funding that they said could be spent by the allies on arms and ammunition.

Two anti-war protesters in the public gallery threw tennis shoes at Mr. Kaifu as he stood at the speaker's podium trying to make himself heard. They missed.

The shoe-throwing was the first angry outburst by visitors to parliament in 20 years and underlined growing public anger at Mr. Kaifu's latest Gulf aid plan.

Last week, Mr. Kaifu gave in to U.S. pressure and earmarked $9 billion for the Gulf force and said Japan would send military planes to the Middle East to help evacuate refugees.

"We will cooperate to the greatest extent possible in order to fulfill our duty in the Gulf short of military involvement," Mr. Kaifu told parliament.

"Japanese pacifism should not be of the type that will force us to live an isolated peace," he said.

Mr. Kaifu repeated his warning of last week that Japan would be shunned by its Western allies if it failed to back the war.

The opposition was unmoved. Hecklers said he would violate Japan's peace constitution if he sent military planes to a war zone. Under its U.S.-imposed constitution, Japan is banned from taking any part in foreign wars.

Amid the outbursts, Mr. Kaifu said the planes were going for humanitarian reasons and the money was tabbed for the Gulf Cooperation Fund, set up last year to channel Japanese nonmilitary Gulf aid.

The opposition demanded to know if his government would place restrictions on the latest Gulf force funds, but Mr. Kaifu avoided the question.

When he pledged $2 billion in aid to the Gulf force in September, his government stipulated that the funds would not go toward the cost of arms. At the same time, Japan earmarked $2 billion to help Middle East countries suffering because of the United Nations trade embargo with Iraq.

A Kyodo News Agency poll published Wednesday showed that the majority of Japanese opposed the offer of $9 billion for the war effort, as well as the plan to send military planes.

Of the 2,000 respondents to the weekend poll, 54 percent said they disapproved of the financing and 45 percent were in favor; 58 percent were against sending planes while 38 percent approved.

Takako Doi, head of the largest opposition Socialist Party, opened a party convention on Wednesday vowing to prevent the carrying out of Mr. Kaifu's new Gulf plan.

"We have no choice but to fight the offer of additional aid to the multinational force in the name of the peace constitution," she said.

In the face of strong opposition in parliament and among the public, Mr. Kaifu was forced to abandon legislation in November that would have paved the way for Japan to send a small number of troops to the Gulf to back up the allied force.

North Africa Instability Worries Europe

By William Drozdiak
Washington Post Service

PARIS — Governments in southern Europe are concerned about the Gulf war's potential to create political instability across North Africa, where the rulers of Morocco, Algeria and Tunisia are responding to the demands of their publics by showing more support for Baghdad.

In a region troubled by soaring birth rates, chronic unemployment and Islamic fundamentalist movements disdainful of materialism, the war could soon ignite social tensions that might have serious consequences for Europe, according to officials and analysts here.

Islamic militants, who are challenging secular governments in all three countries, have sought to exploit the war for political gain. They are depicting the bombing raids against Iraq as evidence of Western "imperial aggression," led by the United States and France against a brother Arab nation. Iraq's invasion and occupation of Kuwait have been played down.

The pro-Western government of King Hassan II of Morocco, which previously condemned the Iraqi invasion and sent 1,500 troops to join the multinational force in Saudi Arabia, tacitly endorsed a general strike Tuesday that was called by major unions as a public show of support for Iraq.

In Tunisia, where crowds have denounced President George Bush and attacked French properties, President Zine Abidine ben Ali escalated his defense of Baghdad by condemning "the destruction and devastation of Iraq," which he said was surpassing "the threshold of the intolerable."

Although appealing for calm and the security of foreign interests in his country, Mr. Ben Ali declared that the war seemed intended "to prevent the renaissance of the Arab nation" so that it remains "forever condemned to dependence, with no proper place in this so-called new world order."

President Chadli Bendjedid of Algeria, who sought to mediate an Arab peace agreement before war broke out, has also sharpened his criticism of the West since a pro-Iraqi demonstration on Jan. 18 attracted more than 400,000 people.

Colonel Bendjedid had condemned Iraq's invasion of Kuwait but also the presence of foreign troops in the Gulf. But he shifted into Iraq's camp after the war started because, he said, the multinational force had transgressed its United Nations mandate to liberate Kuwait and was seeking to destroy Iraq. "Algeria will stand by the side of its brother Iraq," he told the National Assembly last week.

A fourth former French colony, Mauritania, has resolutely backed Iraq as one of President Saddam Hussein's most steadfast allies. The government has provided shelter for Iraqi Airways passenger jets flown out to avoid the bombings. Rumors have circulated that Mauritania was providing refuge for Mr. Hussein's wife and children.

The North African states' swing is perceived by senior French officials as the only course available to those governments if they hope to contain public discontent and the rising influence of their Islamic critics. A North African appeal for a truce to relaunch the diplomatic process of resolving the crisis was rejected by the UN Security Council.

French officials said a Gulf war lasting several months could undermine the secular North African governments even before any post-crisis efforts to reach an international settlement of the Arab-Israeli conflict got off the ground.

They said the political situation was worse than they had imagined before hearing the assessment of François Scheer, a high-ranking French diplomat who visited Algiers, Tunis and Rabat last week.

"These governments were already under a tremendous amount of pressure just from their domestic problems," a senior French government analyst said. "When you add the emotionally volatile fact of Western bombs falling on brother Arabs, it will be awfully hard to keep those places from exploding in the next few months."

In Tunisia, the government arrested more than 100 members of the main Islamic party, Ennahdha, when it became clear that hostilities in the Gulf could transform its growing political clout into a serious threat to seize power if trouble erupted in the streets.

The threat of political turmoil and the possible ascendancy of Islamic regimes among neighboring Arab nations has gradually emerged as a major security concern in the post-Cold War era for France, Italy and Spain.

These governments worry that the collapse of secular Arab governments on the other side of the Mediterranean would spur a new wave of immigrants, increasing racial clashes and fears of terrorism.

Over the years, the southern European countries have attracted millions of Arabs for the menial jobs that native Europeans no longer want to perform. Economists say that if Western Europe hopes to sustain the high growth rates of the last two decades, its countries will have to continue importing labor.

But racial tensions are becoming a serious domestic concern. Many of France's 4 million Arab residents, the largest number of Arabs in any European country, complain of harassment and worry that the war could prompt a serious backlash from rightist extremists.

Indonesia Urges Iraq To Pull Out of Kuwait

Agence France-Presse

JAKARTA — Indonesia called on Iraq to withdraw its troops from Kuwait and for the United States to give assurances that a pullout would lead toward the settlement of other long-standing Middle East issues.

Foreign Minister Ali Alatas said an Iraqi pullout would "not be something embarrassing to Iraq" but would strengthen nonaligned countries, including Arab countries, in their "lawful claim that Israel withdraws from the Arab and Palestinian territories it has occupied illegally for years."

Britain's Dogged Attitude

Support for War Is Rooted in Character and in Past

By Leigh Bruce
International Herald Tribune

LONDON — Public support for the Gulf war is most likely to hold up much more firmly in Britain than elsewhere when the going gets tough, despite some signs of dissent over the extension of war aims to include the removal of President Saddam Hussein, according to analysts and historians.

They say that Britain's broad consensus in support of government policy in the Gulf has deep historical roots and is to an extent emblematic of the British character in times of adversity.

Moreover, compared with institutions in the United States, British political institutions and the press tend to buttress national solidarity.

Finally, these analysts pointed out that recent crises — including the hanging of a British journalist by the Iraqis, the Iranian death sentence against the author Salman Rushdie and the holding of Western hostages in Lebanon — had hardened British attitudes toward the Middle East in general.

But they added that the domestic solidarity, which is stronger now than at a comparable stage of the Falklands War, did not reflect an absence of debate or of concern about the war. To portray British attitudes on the Gulf as merely evidence of the celebrated "stiff upper lip" would be a crude caricature, the analysts and historians said.

"Internal debate occurs at all levels, and it can be very, very strong," said D. C. Cameron Watt, a historian and lecturer at the London School of Economics. "But the Gulf crisis has triggered an underlying reflex of public solidarity against an external challenge."

Already, strains have appeared in the political consensus as the government has articulated expanded war aims, which have shifted from getting Iraq out of Kuwait to overthrowing President Saddam Hussein.

If the expected land battle results in high casualties, "the public and politicians will demand some answers to tough questions," said Philip Dodd, who has written on English politics and culture and who is preparing a BBC television series on the national identity.

That view is confirmed on radio call-in programs and in conversations in social and in professional settings. As in any other country, opinions range from the jingoistic to assertions that the war is a political and moral disaster.

But even among people who express disquiet about the war, the will to confront Mr. Hussein and to present a united front to the outside world seems strong.

Although the British tend to shy away from displays of nationalism, the extent of their determination and patriotism is almost palpable to the outside observer. Military recruitment offices and blood banks have been deluged since the start of the Gulf crisis.

Today, Prime Minister John Major enjoys the highest approval rating since Winston Churchill 50 years ago. Despite some differences in emphasis, there has been little to distinguish the positions of Mr. Major and Neil Kinnock, leader of the Labor Party opposition.

Historians explained the relative solidity of British opinion by pointing out that the Gulf conflict gave Britons an adversary who bolstered their self-perception as a nation that has fought tyrants throughout history.

"Saddam Hussein fits extraordinarily well into the frame fixed by previous struggles," Mr. Cameron Watt said, "especially the Second World War."

In a country without a written constitution, where precedent is the foundation of all institutional and political legitimacy, "the memory of these moments in the past" is crucial to forming consensus, he said.

The analysts and historians also said war had historically healed class and regional divisions in Britain, breaking down real and perceived barriers in a shared cause.

The analysts also said British political and press institutions tended to encourage the prevailing political consensus toward foreign crises.

Mr. Dodd and others maintained that the strong centralization of power in Britain's parliamentary system tended to neuter the debate, which left expressions of doubt to mavericks or fringe groups.

"One of the strengths of U.S. political institutions is that they allow the differences to emerge and to be worked out," Mr. Dodd said.

Shouldn't you be reading commentary like this —regularly?

More Likely, a New World Disorder After This War

By William Pfaff

PARIS — A new world order has been promised for after the Gulf war. The prudent man, however, would wager on a new disorder.

George Bush and his advisers have not yet described the new order of which the president has spoken. Mr. Bush has said only that he envisions international conduct based on the rules of law and a larger role for United Nations peacekeeping. It seems reasonable to say that Washington has only begun to think about this matter, and will not seriously do so until the Gulf war has been concluded.

Policy in Washington characteristically follows the speechwriter's phrase. To promise a new world order seemed a good idea. What the promise explained.

The promise we cause new orders for an American liberal experience lightenment, natural "novus ordo seclo proposal is in the ideas reformist m gan with Woodro ton in 1917 of

racy and respect for human rights.

This is one reason why the United States and other democracies have in the past ignored UN resolutions or exercised their veto. America will cooperate with the United Nations in the future when UN decisions coincide with or advance the policies of the democracies. Washington is likely to pay greater respect to international law than in the recent past, but it certainly will not renounce its right to determine policies unilaterally. There is nothing surprising in this. However, it is not what people expect from a new world order.

tions — have made no great military contribution to the Gulf effort. would not seem candidates to join similar American-led "police actions" in the future. They seem likely to object to a world order-keeping arrangement in which the issues and actions are unilaterally determined by Washington — as has been essentially the case for the Gulf.

A third problem is the indebtedness and relative decline in industrial competitiveness of the United States, which diminishes its ability to lead. The United States' global leadership today rests chiefly upon military

exports — and the late Ayatollah Khomeini, and Moammar Gadhafi — has its origins in more than three centuries of foreign domination.

Since the late 1940s, four Islamic states have struck back — Indonesia against the Dutch, Algeria against France, Egypt under Nasser in Suez and under Sadat in the 1973 attack on Israel, and Iran under Khomeini. The Gulf war is a fifth such effort. Only a fool would think it the last.

It is very difficult to believe that there can be an "orderly" resolution of the tensions that now exist not only between the Islamic countries and the West but also between all the impoverished or failing societies and

Cautionary Parallel: Gulf and Korea

By Jae Won Kim

WASHINGTON — As the Gulf war grows in intensity, it may be useful to recall the Korean War. The purposes of the latter were to destroy the armed forces of an aggressor state, North Korea, and restore a legitimate government. These goals are similar to the ones articulated by President George Bush for the Gulf effort.

However, while American objectives in the Gulf seem plausible and morally compelling, their underlying assumptions do not. If South Korea was a "success," the United States should think twice about the Gulf

A quick war in the Gulf? American casualties in the Korean conflict, which lasted from 1950 to 1953, totaled 33,629. And more than 40,600 U.S. troops remain in South Korea today, nearly 41 years after the start of the war. Will American soldiers be in Kuwait in 2031?

It is

many South Koreans it seemed that the United States simply replaced a left-wing dictator, Kim Il Sung, with a right-wing one, Park Chung Hee. The United States spent 18 years propping up an unpopular military regime with high-tech weapons, tremendous sums of money and sophisticated intelligence systems.

In May 1980, 30 years after the beginning of the Korean War, the South Korean military clashed with civilians in Kwangju. There was official confirmation of 191 deaths, but many expert sources, including Asia Watch, estimate that upward of 2,000 people were killed.

Because the South Korean military is still excessively under the control of the U.S. commander in South Korea, part of the blame was put on the United States. In 202

violations. But even if this is the case, I fear that they will not achieve their goal, no matter how high a price they are willing to pay.

The best way to promote the security of the world community, and also serve the interests of the United States, is to help establish democratic governments at every natural Yet regimes set up or restored by external, violent intervention tend not to develop into democratic governments. Dictatorships, after all, are samples to deal with, particularly after a bloody war, when dissent and unrest seem threatening and subversive. This, at least, was the case in South Korea.

When Americans choose to export military force instead of democracy, they plant the seeds of anti-American sentiment. I do not believe that Americans should sacrifice their lives

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War Strains Southeast Asian Muslims

By Michael Richardson
International Herald Tribune

KUALA LUMPUR — Hot debate on the Gulf war among Muslims in Southeast Asia, and between Muslims and non-Muslims, is straining religious tolerance and testing the strength of national unity, political analysts and officials in the region say.

They add that they believe maintaining religious harmony is essential for continued rapid economic growth in the region, which includes a variety of ethnic and religious groups.

Mah Bow Tan, Singapore's minister of state for communications, said that both Muslims and non-Muslims in Singapore should keep the war in perspective. He was commenting on the results of a public-opinion survey that showed that although 80 percent of the Singaporeans questioned felt that the use of force against Iraq was right, 60 percent of Malay respondents disapproved. An even greater percentage of Malays said military action was premature.

The Singapore poll is the only one published so far in Southeast Asia on the crisis. Analysts said that officials were concerned at the way Chinese and Indian Singaporeans, who are non-Muslim, and Malay Singaporeans, who are Muslim, took sharply divergent stands on the Middle East conflict.

Mr. Mah said that while non-Muslim Singaporeans should be sensitive in commenting on the war, "Muslims here must help preserve national unity."

He added, "We must make sure that Singapore stays united."

On Wednesday, Singapore stepped up security measures at all entry and exit points after reports of possible terrorist attacks. Political officials said that the United States had notified all countries in the region that terrorist attacks were likely to take place as the war continued.

The Singapore Broadcasting Corporation reported heightened security measures at Changi International Airport and at the Woodlands checkpoint, where a 1-mile (1.6-kilometer) causeway links Singapore with Malaysia.

To many Asian Muslims, the battle being waged by President Saddam Hussein of Iraq appears to symbolize an Islamic struggle against Western domination, against continued Israeli occupation of Palestinian and Arab lands, and against economic injustice.

"We want Iraq to withdraw from Kuwait," said Subky Latif, information chief of the opposition Islamic Party in Malaysia. "But we also want the U.S. and its allies out of the Holy Land because they are there to change the Middle East."

In Malaysia, the government is drawn from a multiracial coalition of political parties in which Muslim Malays play a leading role. Malaysia was one of the members of the United Nations Security Council that authorized the U.S.-led coalition in the Gulf to use force to liberate Kuwait if Iraq failed to withdraw by Jan. 15.

But after criticism from Malaysian Muslim groups that the war constituted a Western attack on Islam that would only benefit Israel and destroy Iraq, the government said that the United States should justify its use of air power against Iraq to the Security Council.

Since the war started, American and allied forces have "bombed Iraq as if to destroy Baghdad and other cities in that country," said Fadzil Che Wan, the deputy foreign minister.

Rafidah Aziz, minister of international trade and industry, said there was a danger that people would "become emotional" if Asian governments were "unable to explain to their people the rationale for what is happening in the Gulf."

After meeting President George Bush in Washington last week, Lee Kuan Yew, Singapore's senior minister, said on CNN that Asian Muslims did not think that the United States had been fair. "You enforce UN resolutions against Iraq," he said, "but when the same UN resolutions were passed about Israel occupying the West Bank and Gaza Strip, nobody enforced them."

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International Herald Tribune
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Hold a Summit Soon

Diplomatic silence is no substitute for frank talk. Instead of going to Moscow and telling Mikhail Gorbachev how Americans feel about repression in the Baltics and regression on reform, President George Bush has regrettably chosen to duck, and delay a summit meeting until the spring.

The diplomatic niceties were observed. Secretary of State James Baker never mentioned the Baltics or Moscow's pledge to withdraw troops and resume dialogue. Foreign Minister Alexander Bessmertnykh acknowledged the common U.S.-Soviet interests in the Gulf. And both sides stuck to official pretexts for the postponement. It was awkward for the president to leave Washington with the war on, and the strategic arms accord is not quite ready for signing yet. But these points have only superficial plausibility.

After all, President Richard Nixon found it possible to meet Leonid Brezhnev in Moscow in May 1972 even with the Vietnam War raging. And after two years of dithering, the final details of a strategic arms accord could easily have been worked out had there been a will to do so.

There is no denying that Mr. Gorbachev's Soviet Union has slipped into reverse. The tumultuous turnaround will not be over by spring, and it is uncertain who will ultimately hold power. Meanwhile, it would surely be preferable to bind any future Soviet regime by wrapping up the START accord promptly. Delay may suit hard-liners in Moscow's military who feel that the diplomats gave away too much. It also may satisfy unreconstructed Cold Warriors in Washington who distrust any deals with Moscow. But even they recognize that neither side can now afford many more nuclear weapons. And everyone else would be better off if the two sides began dismantling their nuclear arsenals.

There is an appropriate response to Mr. Gorbachev's new repression: Hold up aid to the Soviet Union. That would be an unmistakable sign of American disapproval.

After all the ups and downs, why cannot the United States and the Soviet Union finally have a mature relationship? They have many common interests. At summit talks these interests could be served, even as the two governments spoke frankly about their very real differences. That meeting is best scheduled soon, and a START treaty completed even sooner.

— THE NEW YORK TIMES.

Honor the Messengers

War reporting is a perilous calling in which important or unwelcome information can be ungratefully received. The peril was underscored by the disappearance last week of the CBS correspondent Bob Simon and three members of his television crew near the Kuwaiti border. And the ungrateful reception was reflected in White House displeasure with reports from Baghdad by Peter Arnett of CNN, the only correspondent for a U.S. news organization still in that city.

However limited and one-sided Mr. Arnett's accounts from Iraq must necessarily be, the White House ignores the value in such independent reports of what its adversary wants the world to believe.

Mr. Arnett won a Pulitzer Prize in Vietnam. He knows the chaos of war, and how to cope with propaganda. His coverage is subject to censorship, as he repeatedly reminds CNN viewers. But his accounts of what he is and is not shown are valuable supplements to the allied version of the war.

Despite heavy bombing, civilian casualties have not been extensive, or so it would appear from the limited damage that Mr. Arnett has reported.

A week ago he was taken on a tour of a devastated "baby formula" factory that the White House contends is a biological weapons plant. If so, then allied targeters should welcome evidence of their accuracy; in any case, his viewers were amply warned not to take Baghdad's version at face value.

It takes more than average courage to remain in a hostile capital, risking death from friendly fire or arrest by an obsessively suspicious host. Mr. Arnett, and the CNN camera crew that is soon to join him, deserve praise, not opprobrium.

— THE NEW YORK TIMES.

Colombia Battles On

Latin efforts to squeeze off the drug trade persist despite daunting obstacles. Nowhere is the struggle conducted more bravely than in Colombia. There the keenest immediate problem is the trafficker terrorism that has killed more than 1,000 people, including journalists who write of drugs — Diana Turbay, daughter of a former president, was killed just last Friday — and many judges. The judges are threatened, bribed or murdered so that cocaine cartel figures can ply their trade with minimal effect on their personal liberty.

To allay this awful epidemic of narcoterrorism, President César Gaviria Trujillo now has a plan to coax traffickers to confess and submit to prison through legal concessions — a promise of no extradition to the United States and an offer of a reduced term. Unconfessed traffickers would still face dreaded extradition. The first suspect to surrender under the new plan, which envisages appointment of 82 ostensibly secret judges, was tried and given only a brief (three-year) suspended sentence, whereupon the judge resigned — not a promising start. Other traffickers, major kingpins, are currently dickering for more generous terms with a government that insists it will hold firm.

The United States stands, as it must, on the sidelines, nervously hoping that the new Colombian plea-bargaining scheme will end up erecting a higher wall. While the president struggles to build a terrorist-proof judicial system and extend the law of the land to regions where traffickers hold sway, the police extend the battle. More than 400 officers were reported killed last year fighting drug traffickers. This battle must continue, since even if the new judges do put away the kingpins, many of the drug organizations will stay in business. Beyond law enforcement, programs to wean peasants from coca are under way with U.S. assistance; their success is at best a long-term affair.

There is a continuing tendency in the United States to neglect the tremendous difficulties that the Latins encounter in coping with the drug trade, and a continuing reluctance to acknowledge that America's drug problem is essentially of American origin. Frustrating and necessary as it is to work on the supply end in Latin America, it is essential to work harder on the demand end in the United States.

— THE WASHINGTON POST.

The Plan for Poland

Poland is creating capitalism, in ways that could provide a blueprint for all Eastern Europe and the Soviet Union.

A year ago the Poles plunged into a crash program to dismantle 45 years of a centrally controlled economy. They lifted price controls and cut back public subsidies to business enterprises. That double whammy sent inflation soaring 200 percent and output falling 20 percent. Even with these painful steps, the traverse to capitalism is only half complete. Poland has yet to put state-owned factories and farms into private hands.

No one knows how to privatize a centrally planned economy; it has never been done. Now, however, there is cause for optimism. After months of debate, and help from experts in the West, the government has produced a remarkable plan, now working its way through the legislature, that could help privatize Poland and offer a model to the world. Polish workers created the country's communized wealth. Now their Solidarity-led government is committed to giving it back to the workers. The question is how.

Auctioning off firms can't work because virtually no one in Poland has enough wealth to make a bid. Besides, Poland has only a rudimentary price system. How would anybody know how much to pay?

What about giveaways? Every citizen would be given free shares of each enterprise, avoiding the need to put a price tag on anything. That is a powerful idea, but it can't work either. If everyone owned the factories, no one would own enough shares to control them. That would leave managers free to run wild. Free distribution amounts to private ownership without private accountability — an incendiary combination. Already, Polish managers of some smaller companies have taken advantage of loosened rules to sign sweetheart deals with foreign investors.

The West has constructed elaborate, if flawed, corporate governance systems to make managers work for shareholders. The Polish plan is an ingenious attempt to leap to something similar. For the largest companies, it calls for giving 10 percent of the shares to workers, 20 percent to pension funds and 10 percent to commercial banks. The government would retain 30 percent. The remaining 30 percent would be divided among the citizenry in the form of vouchers. Almost all shares, including the government's, would be turned over to a few large mutual funds. In effect, individuals would exchange ownership of companies for ownership of the funds. That would, in a stroke, concentrate control of companies in the hands of financial experts, who would rely on consultants from the West. The mutual funds would thereby gain a substantial financial stake in companies, compelling them to rein in the managers. The plan would permit the mutual funds to trade shares, opening the way to a stock market.

Stunningly smart, even if unduly ambitious. The plan calls for a democratization of ownership unknown anywhere in the West —and all within a few years. That is fanciful. Neither does it answer how the mutual funds will eventually be broken up or how Poland will deal with widespread layoffs that will accompany the privatization of woefully inefficient companies. But the crucial issue is not speed. It is Poland's resolve to continue on its pioneering traverse. The privatization plan points a clear way out of the wilderness.

— THE NEW YORK TIMES.

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Editor for Asia: Michael Richardson, 5 Canterbury Rd., Singapore 0511. Tel 472-7768. Tlx: RS56928 Mng. Dir. Asia, Rolf D. Krangwald, 50 Gloucester Rd., Hong Kong. Tel. 8610616. Telex: 61170 Mng. Dir. U.K., Garry Thorne, 63 Long Acre, London WC2. Tel. 836-4802. Telex: 262009 Gen. Mgr. Germany: W. Lauenstein, Friedrichstr. 15, 6000 Frankfurt/M. Tel. (069) 726755. Tlx: 416721 Pres. U.S.: Michael Covey, 850 Third Ave., New York, N.Y. 10022. Tel. (212) 752-3890. Telex: 427175 S.A. au capital de 1.200.000 F. RCS Nanterre B 732021126. Commission Paritaire No. 61337

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OPINION

It's Time for Washington and Tehran to Start Talking

By Shireen T. Hunter

WASHINGTON — As war intensifies in the Gulf, Iran could have a significant effect on its duration and outcome. Iran has the longest shoreline on the Gulf, the longest border with Iraq, and military power which, while no match for the anti-Iraq coalition, is substantial, especially in manpower. Iran's involvement in the conflict on Iraq's side would dramatically alter military calculations and diminish the chances of a quick victory for the coalition. It could turn the war into a conflict between Muslims and the West.

Thus it is surprising that the United States has had little or no communication with Iran in recent months — certainly not directly. This is more Tehran's fault than Washington's, because the Iranians refuse to talk openly with U.S. officials. But Washington insists on total publicity for any contacts, even though it well understands the constraints of Iranian domestic politics. In the current war, that is self-defeating.

Iran has tried to insulate itself from the Gulf crisis because of a need to place top priority on recovery from the devastation of an eight-year war and a big earthquake. For this, an opening to the West is critical. Thus, Iran repeatedly condemned Iraq's invasion of Kuwait, called for complete withdrawal of Iraqi forces, opposed compensating Iraq with Kuwaiti islands or oil fields, and observed the sanctions.

Today Iran fears being dragged into the war against its will. Its president, Hashemi Rafsanjani, has repeatedly reaffirmed Iran's neutrality. Its announcement that it will intern Iraqi aircraft fleeing the battle is evidence of a determination to remain neutral.

The influx of Iraqi aircraft has raised questions as to whether Iran is in collusion with Iraq in some secret deal. This would defy any logic of Iranian self-interest. Iran has no desire to see Saddam Hussein emerge preeminent in the region and thereby, in President Rafsanjani's words, turn the Persian Gulf into the Arabian Gulf. Nor are Iranian leaders fooled by Saddam's new commitment to Islam. The son of the late Ayatollah Ruhollah Khomeini said recently that Ba'athism is anathema to Islam and that Saddam could not liberate Jerusalem with Scuds.

Some members of the anti-Iraq coalition would like to see America attack Iran. There may even be temptations among U.S. military leaders to do so. Iran is not confident that it will be secure against attack by the United States, either now or if U.S. ground troops are deployed in Iraq close to the Iranian border.

Iran also fears that the United States might use the war as a pretext for ridding Iran of the Islamists, while ridding Iraq of Saddam Hussein. Iran even fears dismemberment as part of the rearrangement of borders in the region —hence its insistence that the crisis must not lead to any territorial changes.

Iranians suspect Iraq of wanting to draw them into the conflict by using Iranian territority to launch attacks against U.S. forces; the flight of Iraqi planes to Iran could be part of such an Iraqi strategy. Thus, earlier this month Tehran announced monthlong military maneuvers in western and southwestern Iran to "defend the interests of the Islamic Republic in case the belligerent forces intend to use Iranian territory for inflicting blows on each other."

Iran could be dragged into the conflict if Shiite shrines were destroyed in Karbala, An Najaf and Kadhimain, because that would ignite passions in Iran that would be manipulated by radical elements opposed to President Rafsanjani's pragmatic policies.

Or Iran could become engaged if Turkey opened a second front against Iraq. Tehran has tried to reach an understanding with Ankara on maintaining Iraq's territorial integrity, but it could not stand by if Turkey were swallowing half of the country.

Iran would be the primary loser if it were dragged into conflict. But the anti-Iraq coalition would also suffer. At a minimum, Iran's involvement would prolong the war.

In their common interest, it is vital that Tehran and Washington create ground rules and "red lines," and agree to observe them for the duration of the war. For example, the United States should reassure the Iranian government that it has no territorial or political designs on Iran. But this can be done only through direct communication. Regional or other intermediaries have their own ambitions, which are not always compatible with U.S. interests and certainly not with Iran's.

Washington also needs to communicate with Tehran about postwar arrangements for regional security. U.S. commentary has raised concerns in Iran by envisaging significant roles for such peripheral countries as Egypt and Turkey, while excluding Iran. There is a tendency to portray Iran as a mortal threat to Gulf states, despite its military weakness for the foreseeable future and its tremendous need for outside help, a need that argues against aggressive behavior. Washington should reassure Tehran that it is prepared to include Iran, provided that Iran will play a constructive role.

This would reflect reality, since no security arrangements for the Gulf can succeed without Iran's participation. Tehran will even have a role in shaping a postwar Iraqi government, because of Iran's spiritual and political ties with the Shiites who make up most of Iraq's population.

Iran's participation is especially important if the United States is to avoid repeating a cardinal mistake of the 1980s that helped to create Saddam Hussein and produce the current crisis, namely, viewing Iran through the prism of its rivals' prejudices and basing policy on their ambitions rather than on U.S. interests. The Gulf Arab states have already recognized the important regional role — for good or ill — that Iran will play. The Gulf Cooperation Council's latest communiqué welcomed Iran's participation in future security arrangements.

It is likely, though, that Washington will repeat its mistake. During the past three years the U.S. government has viewed Iran like the proverbial glass that is always half empty, in sharp contrast with Washington's warming attitude toward Syria. But continuing along this path could make the prophecy self-fulfilling and turn U.S. fears into reality.

Of course, the United States is right to be cautious in dealing with Iran. But, given the high stakes of the Gulf war, testing Iran's good intentions is critical. After a decade of mutual hostility, it is imperative that the United States and Iran overcome psychological and political barriers and communicate directly with one another.

The writer is deputy director of the Middle East program at the Center for Strategic and International Studies, in Washington. Her latest book is "Iran and the World: Continuity in a Revolutionary Decade." She contributed this comment to the International Herald Tribune.

When Options Are Bad, Put Off Ground Combat

By Leslie H. Gelb

WASHINGTON — Two pronouncements, oceans apart, point to the next strategic crossroads for George Bush in the Gulf — how to respond to Iraq's expected use of chemical and other terror weapons.

On Monday, Saddam Hussein surprised no one by suggesting that he would employ chemical, biological and even nuclear weapons to save his nation (meaning himself).

On Sunday, John Sununu had caused a little stir among his White House colleagues by asserting that if Iraq used poison gas, America would not follow suit — this being a tentative decision that Mr. Bush hoped to shroud in some ambiguity, to deter Iraq from starting down this path.

The president anticipates having to make this awful decision once he moves to join the ground battle in mid-to-late February. If he declines to retaliate with chemical and nuclear arms, he affirms great moral and political principles — at the price of American lives. His restraint would be highly second-guessable, noble, very costly and courageous.

All of which argues for rethinking the strategy that is leading him inescapably toward such a double-edged decision, namely the current strategy of creeping slowly but inexorably toward ground warfare.

When a strategy produces all bad choices, that suggests the need for a new strategy, in this case one that indefinitely postpones land battles and simply stays with bombing and blockading.

When the allied land forces begin their attack, there is every reason to assume that Saddam will throw everything he has at them; that his model will not be Hirohito, who surrendered rather than see Japan destroyed, but Hitler, who holed up in a bunker while he brought on Germany's immolation.

U.S. intelligence estimates that he possesses no nuclear arms and that his Scud missiles cannot deliver chemical or biological weapons. But he can fire off artillery shells and drop bombs filled with poisons at ground troops.

The Pentagon talks as if it can contain these threats. But soldiers will find it exceedingly difficult to advance wrapped in chemical-protective gear, and that gear will provide them with little protection against germ-warfare toxins.

Faced with a possible heavy toll in American and allied lives, Mr. Bush could choose to:

- Retaliate with poison gas. This would be a proportionate and legal response, but a draconian one that would make Washington appear as inhumane as Baghdad.
- Hit back with tactical nuclear weapons. While decisive and attractive from a military standpoint, this riposte would be the worst from a strategic one. For generations, Americans would be stained with the terrible legacy of incinerating Arabs and breaking a high moral barrier.
- Bomb Iraqi population centers. Such action would not deter Saddam from further use of gas; it would only punish the innocent.
- Continue the ground attack with no special response. This could put American and allied forces at an unacceptable disadvantage, leading to extensive allied casualties.

These are all bad choices, unless Mr. Bush is confident that he can blunt Iraq's unconventional weapons. And when a strategy produces nothing but bad choices, it requires re-examination.

Mr. Bush and his close aides are well aware of their problem. That is why General Colin Powell stressed last week that the United States was in "no hurry" to launch a land attack. But delay for a matter of weeks, the current administration approach, is unlikely to alter the president's choices.

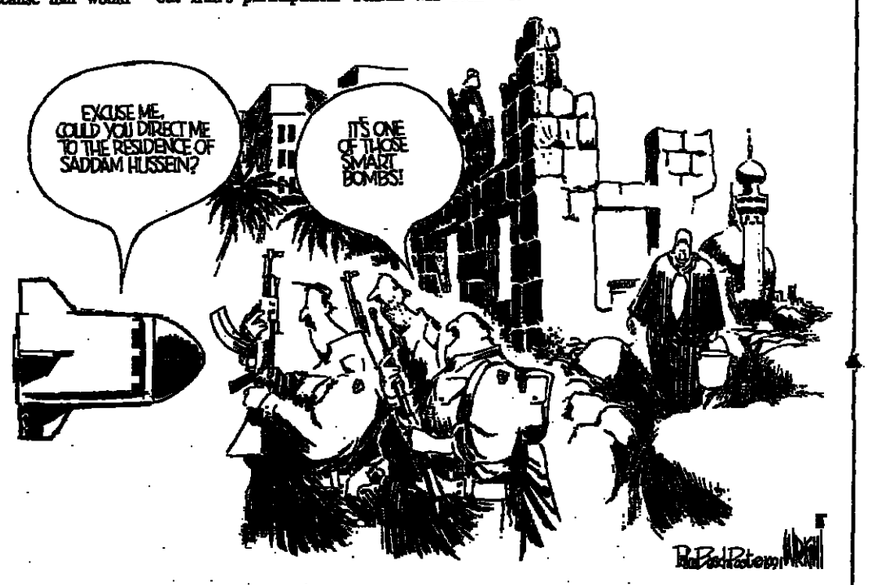
Postponing a ground assault for months, on the other hand, could offer a less costly and risky alternative. It would allow time for Iraqi forces to feel the full weight of American air power, defect and even overthrow Saddam.

Postponement also carries risks. Moscow could bolt from the coalition, and anti-war sentiments could cripple allied unity. But there is time to see how these situations develop in a few weeks.

For months, Mr. Bush's strategy has forced his own hand more than Saddam's. That was the case when he decided in November to increase American forces in the gulf from 200,000 to 500,000. It was true again last week when he moved U.S. forces near the future line of battle.

Now there is reason to look at another strategy, one like continuing to bomb and blockade, one that might help him avoid the trap of chemical and nuclear weapons that he is setting for himself.

The New York Times.



German Wobbling Puts the Trans-Atlantic Partnership at Risk

By Jim Hoagland

WASHINGTON — Germany has become so rich that "it has completely lost its fighting spirit," Turgut Ozal observed the other day in an Ottomanesque blend of envy and disdain. The Turkish president, visionary on other aspects of the Gulf war, confuses solution with problem in the case of the Germans.

Americans and Europeans have labored for 40 years to smother the German fighting spirit under the pillow of prosperity. The Common Market was conceived to do just that. The bedrock of European unity and of allied support for German unification has always been fear: the fear of isolated, resentful Germans regaining fighting spirit. No need to kick that sleeping dog.

It is what the Gulf war says about Germany's political spirit that should concern Bonn's partners and friends. After managing unification with strategic vision and tactical brilliance, the coalition government of Chancellor Helmut Kohl has been parochial and timid in its political responses to the Gulf war.

Even in adding $5.5 billion to its contribution to the multinational coalition and agreeing on Tuesday to send anti-aircraft systems to Turkey, the Bonn government has been grudging and slow in its actions. Mr. Kohl has made it clear at each turn that he is responding to pressure from abroad, not spontaneously joining the American-led effort.

The actions of the Bonn government undercut its professions of solidarity. More importantly, those actions encourage a sense of German apartness, or singularity, in matters of war and peace that is a troubling omen for the Atlantic community at a crucial moment of transition.

The Gulf war has already dealt a heavy blow to European unity. Belgium's refusal to sell Britain extra munitions for the Gulf is only the most flagrant example of the every-man-for-himself attitude that infects Continental Europe's response. Domestic political considerations drive decisions about alliance solidarity in France and Germany as well.

President François Mitterrand authorized French forces to hit targets in Iraq, as well as occupied Kuwait, only after his most important political rival, former President Valéry Giscard d'Estaing, scored a laser-guided hit on the policy of bombing Kuwait only. That would be like a World War II decision by the allies to bomb occupied France and spare Germany, Mr. Giscard d'Estaing observed.

These officials portray the Gulf war as an unfortunate distraction from the larger business of dismantling East-West conflict and converting the Soviet Union to a more democratic society. By keeping out of the Gulf, they preserve their energies and resources for East-West matters.

That misses the essential point about the future of the American presence in Europe. The Gulf war and the end of the Cold War reinforce each other. This war is a defining moment not only for America's position in the Middle East but also for American-European relations.

Numbers tell part of the story. The United States has pulled about 100,000 troops and large amounts of armor and artillery out of Europe for duty in the Gulf. Pentagon, State Department and congressional officials predict that neither soldiers nor equipment will be restationed in Europe after Desert Storm is finished. They will be transferred home, left in the Gulf or demobilized, depending on the outcome in the Gulf.

Other cuts under discussion in Washington would bring the U.S. troop level in Europe down from 320,000 last August to about 100,000 by the end of 1991. But U.S. officials acknowledge that if Americans conclude that Europe has not done its share in Desert Storm — that American blood has been shed for European oil — a bitter American backlash will develop and bring all the boys home abruptly.

The end of the Cold War suddenly makes that course of action credible. A complete American withdrawal from Germany depends on the Soviet Union continuing its withdrawals from Eastern Europe. But the future American military presence does not depend on the reversibility of political reform inside the Soviet Union or what happens in the Baltics. If the Soviet threat to Europe is not reconstituted, America will have no military reason to stay in Europe.

Only a shared sense of commitment and values will keep America in Europe beyond the Cold War. It is this sense that is endangered by the loophole approach to NATO that Germany is pursuing in a moment of crisis. It is this solidarity that is endangered by the moral superiority claimed by so many German protesters, politicians and editorialists, compensating for the guilt of another generation.

Mr. Kohl's steady drive for unification demonstrated what determined, imaginative leadership can accomplish. His wobbly course on the Gulf makes the same point, but in the negative. The future of the European-American partnership that endured half a century of Cold War will be decisively affected by Mr. Kohl's choices to come.

The Washington Post.

Germany: Special, Different and Alone?

By Jochen Thies

BONN — The biggest anti-war demonstrations take place in Germany, and the Germans fear the risks of the war more than others do. Instead of practical solidarity with the Western allies, they tend, Swiss-like, toward self-preoccupation.

The change of stance by the government since last week and the statement this Wednesday by Chancellor Helmut Kohl do little to alter that general impression. Money for the anti-Iraq coalition, plus Patriots without soldiers, is not enough.

The visit that President Richard von Weizsäcker made on Tuesday to the wives and children of U.S. soldiers transferred to the Gulf region should have been made last September. It comes too late.

All those who hoped that the country would be back to normal after reunification now realize that this is unfortunately not the case. Again we see that Germany has not yet overcome the Third Reich. In a surprising parallel with their fathers who voted for reasons of fear for Adolf Hitler, the sons and the 1968-era students and their children seem to make the same mistake in the opposite direction — pacifism at any price.

Political and moral leadership is missing in the country. For too long, the chancellor remained astonishingly withdrawn and the foreign secretary preferred to keep quiet. Any action was taken under pressure from abroad or was too diffident.

The relationship with Israel was particularly infelicitous — immediately before the outbreak of Gulf war, when Hans-Dietrich Genscher joined the French peace initiative for tactical reasons, and again later, when he paid a much too tardy visit to Israel, from where the government had called back its citizens much earlier than the Americans or the British did.

It may be that what has happened in the last fortnight will not be forgotten for a long time. The longer the war lasts, the more likely is rebirth of the old war alliance between America, Britain and France. Nobody will be able to say the Germans were left out. They isolate themselves.

The great fault of the last eight years of German foreign policy has been that it has been premised on best-case analyses only. The first shots in the Gulf and in Vilnius have knocked out the politics of mere rhetoric.

All the German parties have performed poorly — for instance, in the unworthy debate over whether an Iraqi attack on Turkey would commit Germany as a NATO member.

Germany has to stop being a spectator. The Gulf war, one hopes, will be over soon, but there will still be the far greater dangers in Eastern Europe. Germans will soon need to count on the solidarity of the Western allies if, for example, the withdrawal of Soviet troops from the former East Germany does not proceed as expected.

Germany is at a crossroads where it has to choose between a *Sonderweg* (separate path) and a responsible role within the Western framework. The high hopes of West European political union are already wavering. The gap between Germany and France has widened. How long will it be before Germany looks in the mirror?

The writer, managing editor of Europa-Archiv, a German journal of foreign affairs, contributed this comment to the International Herald Tribune.

100, 75 AND 50 YEARS AGO

1891: Parnell a 'Bubble'

LONDON — The *Daily News* has its daily column proving that the Irish nationalist, Mr. Charles Parnell, is not of the slightest consequence. It says: "We deeply regret the fact that he should yet have the power to distract and distress even to the smallest extent the feelings of the Irish people. But as a real factor in the political situation he is of no account. A bubble, a squeak, and the whole thing is over, and the lightened boat of Home Rule will float on as before."

1916: Wilson's Warning

LONDON — The newspapers publish cabled reports of a speech made by President Wilson at Pittsburgh. "The world is on fire," said Mr. Wilson, "and the sparks may fall anywhere. If the despatches I am always receiving could be seen it would be realized how difficult is the maintenance of peace." Mr. Wilson insisted on the necessity for the country being prepared, if not for war or aggression, at least for the purpose of national defence. "It is entirely impossible," he added, "to train the young in the use of arms while carrying on their industrial education. It is my duty to warn the country that grave and constant dangers exist."

1941: British Success

CAIRO — The third major Italian bastion to fall in Libya — Derna, 175 miles west of the Egyptian frontier — was occupied today [Jan. 30] by British imperial troops after four days of the bitterest resistance offered by the Fascists in the whole of the North African campaign. Derna's fall was announced by the British MiddleEast command in a single casual sentence: "The capture of Derna was completed this morning." The battle of Derna was no set piece and did not follow the pattern of previous British victories in the Libyan campaign.

— From the New York edition of the New York Herald Tribune.

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هكذا من الأصل

OPINION

'Hard Work of Freedom' Is Left Undone at Home

By George F. Will

WASHINGTON — The state of the union is, in a word, peculiar. The American nation is in a recession and a war simultaneously. Probably neither problem will persist for long; certainly neither ranks at the top of the list of America's gravest problems.

What are those problems? The president spoke for about 50 minutes on Tuesday night without doing them justice. But what he did say is itself one of the serious problems.

Calling the chore of containing Iraq a "defining hour" for the nation, the president proceeded to define the nation's essential nature this way: "For two centuries we have done the hard work of freedom." Indeed we have, but not by great military undertakings.

The nation, meaning its domestic conditions and its sense of collective effort for improvement as a single community, received scant attention from the president Tuesday night.

In 1778 the infant Republic entered into a military alliance with France. The next military treaty the United States entered into was the NATO pact in 1949. But the "hard work of freedom" that America has done has been primarily, indeed overwhelmingly, civilian, not military. It has been the work of making America's civil society excellent and an elicitor of excellence.

How are we doing today? Here is a hint. Robert Kuttner, the economics writer, notes that since America began in the 1970s developing the high-technology weapons that are now earning plaudits far away — the Patriot and Tomahawk missiles — American manufacturers' share of the world consumer electronics market has shrunk from 70 percent to 5 percent.

The energies of a nation such as ours, which has borne the military burdens of the Cold War, are finite. Such a nation has urgent priorities, and important competing interests get neglected. Americans suffused with the triumphalism of today's military successes (and not troubled by the rental of America's armed forces by its trading partners) say: A superpower excels at the production of Patriots and Tomahawks, not cars and VCRs. But a superpower that expects to stay such, and wants to be a commodious place in the bargain, had better be able to do both, and more.

It must have successful schools to which children come — children from functional families, walking to school down streets free from gunfire. Providing such schools, sustaining such families and policing such streets — call that the hard work of freedom.

There is an interesting anachronism, a faint echo of problems long since surmounted, in the title of the report — "The State of the Union" — that the Constitution requires the president to make to Congress. The word "union" has virtually vanished from American political usage.

Retiring the word "union" was a presidential policy between 1861 and 1863. In his history of the Civil War, James M. McPherson of Princeton notes that as the war proceeded (the war that began breaking the states to the saddle of the central government), the word "union" was supplanted by the word "nation" in Lincoln's rhetoric.

In his first message to Congress (July 4, 1861), Lincoln used "union" 32 times, "nation" three times. By the time of the Gettysburg Address (Nov. 19, 1863), he used "union" not at all, "nation" five times. In perhaps his greatest speech, his Second Inaugural (March 4, 1865), he said that the war had begun because one side had sought to dissolve the "union" and the other side had fought to preserve the "nation."

The nation, meaning its domestic conditions and its sense of collective effort for improvement as a single community, received scant attention from the president Tuesday night. His tone was perfunctory — even the timber of his voice diminished — when he turned to domestic matters. Clearly he is most comfortable in the role as commander in chief, attending to the hard work of freedom abroad.

Are Democrats seriously dissatisfied with George Bush's definition of America's role, or the allocation of America's energies? Not so you would notice.

Usually when a president delivers the third State of the Union address of a term, the sea of politicians spread in front of him is quivering from the pent-up energies of those who are determined to take his place. But Tuesday night that sea was becalmed by war.

Regarding presidential politics among Democrats, Roll Call Newspaper, the microscope beneath which Capitol Hill lives, has been reduced to reporting what it calls "mighty thin gruel for a speculative feast": the fact that Representative Dick Gephardt and Senator Jay Rockefeller sent a passel of Christmas cards to folks in New Hampshire. Such a dearth of news at this point in the presidential cycle is peculiar.

But, you may ask, is it not welcome? Perhaps. But being an energetic opposition, articulating alternatives — that, too, is part of the hard work of freedom. And it, too, is work not being done.

Washington Post Writers Group.

The New World Order

After a Desert Storm, Still a Dust Bowl

By Anton Shammas

ANN ARBOR, Michigan — Desert storms, we are told, transpose dunes and alter the topography. But it is dust that they blow about, for the most part; lots of it. And dust, we are further told, is the stuff that people, let alone nations, tend to humble each other into.

This Desert Storm is no exception. Analysts and retired generals alike tell us that nobody can predict what the morning after this Storm will look like. They would rather wait until the dust, or the smoke for that matter, has settled. They don't seem to recognize that the dust is not going to settle this time, that it is there to stay.

The invasion of Panama was labeled a Just Cause at the time; this war seems a Just Because, whose objectives have been drawn and then redrawn in the sand. The dusty regime of Kuwait will be restored and the bloody regime in Iraq will be destroyed, with collateral damage to the non-Sabah Kuwaitis and the non-Takrit Iraqis, turning the Middle East into a political dust bowl.

Nations of the world fall into three groups. There are those that can create desert storms and those that think they can. They both live in homelands, though, respective homelands of their own; they have a territory and they speak a territorialized language.

And then there is the third group: those who don't have homelands, let alone a territory of their own. They are the de-territorialized people, whose

MEANWHILE

language is called a dialect. They eat the dust. With mouths barren and views blurred they see in every Saddam, clad in the beguiling dust of false glory, a potential savior. Then black rain falls, Saddam vanishes and they are left in the dark with mud.

Members of my family, Palestinian citizens of Israel, have spent some gasping, dusty nights lately, in Haifa, in sealed rooms, breathing through their gas masks. At other times they could have been watching, tongue in cheek, some horrid Iraqi soap opera on Jordanian television.

They live in the midst of affable Jewish neighbors, but a growing number of Knesset members would like them to take the eastbound bus, along with their Palestinian relatives in the occupied territories, across the Jordan River.

Gas-masked in sealed rooms were also my Jewish friends. Unlike my family, however, their nights were longer, their memories darker. Jewish European memories comprise either a hiding room or a gas chamber. And here they are now, 50 years later, back to square one of their parents. Except this time it is a mixed metaphor of sorts — the gas and the hiding room have been conflated. Gas-masked, hiding in sealed rooms, they must have been wondering, to the sounds of shrieking sirens, if that was all that was left of the Zionist dream.

On Nov. 2, 1917, on the stationery paper of the British Foreign Office, Lord Balfour conveyed to the Jews of the world that "His Majesty's Government view with favour the establishment in Palestine of a national home for the Jewish people." Did the image of the sealed room in that "national home" ever cross his manipulative, imperialist mind? Was it there to see already, in fine print?

For the Palestinians under Israeli occupation, a sealed room or house is something totally different. In a collective measure, Israeli authorities can seal houses or rooms of families when one of their members is suspected of a "terrorist act." Family houses of murder suspects are blown up and no rooms are left there to be sealed. The Israeli Supreme Court has recently ruled that sealing a room in a house was an adequate punishment for stone throwing. In so doing it has given a notorious regulation from the Mandatory days of "His Majesty's Government" another touch of occupation justice.

If the dust of this Desert Storm ever settles, the Palestinians will find out, forsaken and locked-out in front of their sealed houses, that Saddam Hussein turned out to be yet another one of those many false Balfours who had promised them a "national home" in the past. And the Israelis will find out that they are still locked in, hiding inside a sealed room; only this time it is a ghetto of their own making.

There are two kinds of people, we will be told — those who cannot get out and those who cannot get in. But only those who cannot get in can tell what dust tastes like.

The writer, author of "Arabesques," teaches Near Eastern studies at the University of Michigan. He contributed this comment to The New York Times.

LETTERS TO THE EDITOR

A Forecast Fulfilled

Regarding "Consider the Terrible Consequences of the Convergence Ahead" (Opinion, Jan. 12) by Edward Said:

Mr. Said does not realize that his dire forecast for Iraq — "after some arbitrary deadline has expired, Iraqi society is declared a virtual nonentity, cities to be smashed, agriculture and industry to be torched, roads and bridges to be reduced to rubble" — is exactly what the Iraqis have done first to Kuwait.

ROSE GONZALEZ.
Las Palmas, Spain.

Assault on the Planet

The Gulf oil slick is the most unforgivable crime so far perpetrated by Saddam. It is not just an attack on his enemy but an assault against the planet.

NESTA COMBER.
Vence, France.

Statements Under Duress

In view of the almost certain brutality suffered by captured allied airmen in the hands of the Iraqi regime, it seems clear that Saddam Hussein has chosen to flagrantly violate the Geneva Convention of 1949 on the treatment of prisoners of war. Would it not be wise to rethink the Code of Military Conduct, which governs U.S. troops in combat?

I would suggest that the U.S. military, indeed the coalition, suspend that rule in the code requiring prisoners of war to resist cooperating with the enemy "to the best of their ability." In its place would be a directive ordering them to make or sign any and all statements ordered by their captors. The world would then, of course, understand that they made such statements not only under duress but also by prior orders of their own commanding officers. Such statements would have no propaganda value whatsoever.

BRIAN CAMPBELL.
Antwerp, Belgium.

A Pause for Peace

As Americans in Europe, we would like to appeal to President Bush to accept the recent noncoalition Arab proposal to the United Nations for a brief "pause for peace." Although such a concession by the American-led coalition might not meet immediate military objectives, such a gesture would gain a broader victory on the political front.

Saddam Hussein's most likely response to any brief moratorium would probably be more violence, like launching new Scud attacks. Such a cynical reaction would provide further evidence to that our cause is just.

Europeans we know support the war only reluctantly, and would appreciate signs of flexibility on the part of the United States. Furthermore, chances of winning credibility or goodwill in the Arab world would be greatly enhanced.

President Bush should also appreciate the reluctance of the American public to pursue an exclusively aggressive military campaign. Although a clear majority backs our troops, we think the Americans in favor of negotiations instead of war would appreciate a pause. Some flexibility by Mr. Bush could strengthen his chances of re-election in 1992.

We pray that our voices can be heard.

MARTHA and TOM FALLOWS.
Milan.

An Eye on the Baltics

The consequences of further violent crackdowns in the Baltic states seem clear: eventual deterioration in Soviet foreign relations, with resulting disincentives for foreign trade and investment. A mishandling of the nationalities problem may ultimately prove to be a more certain recipe for Soviet disunion and the failure of reform than patient, flexible negotiations on some formula for restructuring economic and political relations among the Soviet republics and the central government.

While the world watches the war unfold in the Gulf, one can only hope that it will keep an eye on the Baltics, the litmus test for Soviet reform.

STEVEN M. GLICK.
Paris.

No Wonder It Slips

Regarding "Girls' Self-Esteem Slips in Teens" (Health/Science, Jan. 10) by Suzanne Daley:

Unfortunately, this finding is of little surprise. The socialization process, in conjunction with American educational institutions, produces and perpetuates a social and cultural world that treats males and females differently. How can girls derive any sense of self-worth from an educational system that is representative of a male-dominated society, leaving girls with few role models and allowing them to broaden their horizons only in terms of male-oriented studies? Stereotypical role expectations, which deem men to be the primary breadwinners in society, have not yet disappeared from the classroom. These disparities must be addressed and corrected for any genuine progress to be made.

JAMIE LYNN BORIS.
Paris.

Pity the White Man?

In response to the report "In U.S., Shifting Workplace Culture Puts White Men on the Defensive" (Jan. 2):

Lou Nolin and other white men about whom this article was written have a lot to learn. If the future is uncertain in their jobs, it has always been so for members of minorities.

If Mr. Nolin doesn't like seeing blacks wearing Africa medallions, how does he think a minority member feels when looking at a picture of a typical company's board members, or of the powerful few in government, almost all of whom are white males?

Mr. Nolin says, "In certain areas there's a good chance they're probably getting far more attention than I would consider to be equitable." What is equitable? Has the workplace ever been equitable? Welcome to fair competition.

KURT STREIT.
Hamburg.

Call Me Bunny

Regarding "Naming Children: Be Sure to Avoid 'Bunny'" (Health/Science, Jan. 17):

Headlines should be punchy, but not at the expense of accuracy. Just because a survey found the name Bunny viewed as the most feminine name does not mean it should be avoided. Should Conan be avoided, too, because it was viewed as the most masculine name?

CLIFF GOODMAN.
Stockholm.

Letters intended for publication should be addressed "Letters to the Editor" and contain the writer's signature, name and full address. Letters should be brief and are subject to editing. We cannot be responsible for the return of unsolicited manuscripts.

90 AN EXTRAORDINARY YEAR

A yearend report to IHT readers & advertisers.

International Herald Tribune readers and advertisers around the world are a remarkably loyal and interested group and we think it's important to stay as closely in touch with you as possible. Your reactions and suggestions help us as we constantly adjust and adapt the newspaper to your needs. And we also like to take opportunities like this one to give you more information about the company that lies behind the newspaper — and the pace and direction of its development.

Nineteen ninety was a year of extraordinary news — and of ever-intensifying interest in international journalism. As the IHT chronicled the developing drama, we found that we were reaching an ever-wider and more interested audience, and that audience, in turn, helped to attract even more advertisers to our pages. By yearend, despite the slowing economy in some parts of the world, the IHT could fairly describe 1990 as the most successful year in its history.

EDITORIAL

In a time of dramatic confrontation and change, we were pleased to know that the IHT's coverage of global events was quoted, acclaimed and welcomed each day by readers in 164 countries. The Gulf crisis, German unification, Soviet democratization and disintegration, the changing global economy — all these were stories with which the IHT felt very naturally "at home." We would like to think that an era like this one, in which the very pace of history seems to accelerate, is a time in which imaginative, independent journalism will be especially prized. And we trust it will also be a time which will find the IHT to be at its very best.

This was a year of considerable editorial innovation at the IHT. *Money Report*, a weekly section covering personal finance from an international perspective, was introduced in August. Readers also found new, special pages devoted to Asian and European business news each day, and with them, two new quick-reference information tables, Investor's Europe and Investor's Asia. Periodic front-page color was introduced, part of special reporting packages on politics, business, the arts, sports and travel. Improvements were made in the paper's features and sports presentation. On the world news and opinion pages, IHT editors continued to blend the best reporting from our parent newspapers (The New York Times and The Washington Post) with material from the major news services and from the IHT's own growing staff of specialized correspondents.

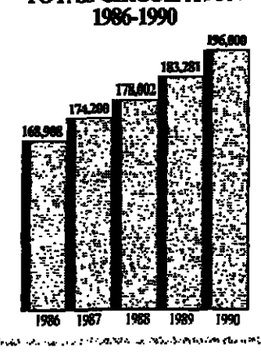
Herald Tribune MONEY

CIRCULATION

Driven both by the pace of world events and an expanding printing and distribution network, IHT circulation grew faster in 1990 than in any year in the past two decades. In June, the paper reached a much-awaited milestone when average daily sales exceeded the 200,000 mark for the first time, a level which was then maintained over the second half of 1990.

We expect the official audit for the full calendar year to show an average daily circulation for the past 12 months of some 196,000 copies, an increase of 7% over last year and 17% over the past five years.

TOTAL CIRCULATION 1986-1990



With nearly two and a half readers on average for each copy sold, this means that roughly half a million people were seeing the IHT each day, served by printing plants in eleven world capitals, all linked electronically to our Paris headquarters and all producing, simultaneously, the same daily global overview.

The IHT's Asian edition, which celebrated its tenth anniversary this fall, saw daily sales soar past the 40,000 mark in 1990, another important milestone for a paper which sold only 1,500 copies in Asia a decade ago. All three Asian print sites contributed to the growth, especially the newest site, in Tokyo, where circulation has grown by 16% over the past year and 30% over the past two years. Meanwhile, readership in the Western hemisphere, served from New York, grew by 15%.

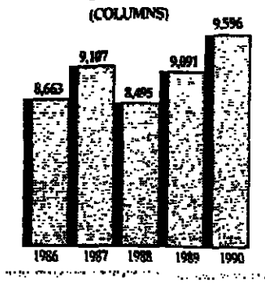
In Eastern Europe and the Soviet Union, sales over the past two years have increased from virtually nothing to the current level of nearly 5,000 copies a day. Hand delivery service on day of publication is already available in Moscow, Warsaw, Budapest and what was formerly East Berlin.

Even in its more mature markets, thousands of new readers found their way to the IHT. After 103 years of publication in Paris, the paper had one of its best growth years in Europe. New transport routes and hand delivery systems helped expand the ranks of regular subscribers and one out of every four readers now falls into that category. Sales to hotels and airlines also increased rapidly.

ADVERTISING

Despite a year of recession in the two principal international advertising markets (the United States and Great Britain), IHT advertising space in 1990 reached the highest level since 1985 and the second-highest level in the paper's history. For almost every market outside the U.S. and the U.K. (and especially for the Continent of Europe and for Asia), 1990 was an all-time record year, a reflection, we believe, not only of changing world economic patterns but also of this newspaper's long-term effort to expand and diversify its business base.

ADVERTISING RESULTS 1986-1990 (COLUMNS)



Overall advertising volume in 1990 grew by 505 columns or 6% over 1989. In France, where our headquarters is located, advertising volume grew by 20%, making France our largest single national marketplace.

Demand for the IHT's magazine-quality color also expanded, as we published over 900 columns of four-color advertising in 1990. Classified space was up as more advertisers recognized the appeal of the only global classified marketplace. And special supplements continued to play an important role, including a seven-part series on the European Community and its "1992" reforms, a series which is now entering its fourth year.

RESEARCH

Perhaps the most striking aspect of the IHT's circulation growth over the past decade is that it has not diluted the quality of the readership. To the contrary, the "demographics" of the IHT's audience have also been rising steadily, including such indicators as average household income ($117,700), university education (89%), and readers holding senior management positions (47%). Both advertisers and editors can fairly describe this as a "dream" audience.

Two important new readership studies were published in 1990: the *Who's Who in Europe Survey* and the *International Air Travel Survey Asia (2)*. Conducted by independent research agencies, these surveys again demonstrated the unique caliber of the IHT audience. They found (to mention just one example) that 40% of IHT readers make 10 or more air trips a year — a higher figure than for any other publication. And among those listed in Who's Who in Europe, the IHT again achieved the highest readership — as well as the highest ratings for journalistic reliability.

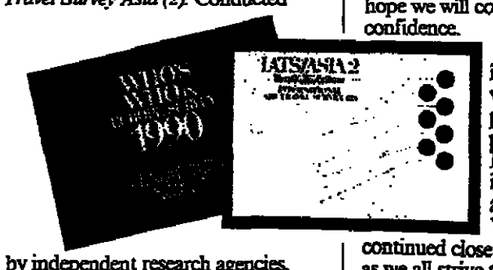
In 1991, we will again be conducting a survey of our readers through an in-paper questionnaire. The IHT will also be the principal sponsor of the *International Air Travel Survey-Europe* (a study it pioneered) and will participate as a major sponsor in the *Pan European Survey*, with which the IHT has been closely associated since its inception in 1978.

OTHER PROJECTS

The IHT's conference department organized nine successful international symposia during the year on subjects ranging from private enterprise in Africa to the concerns of the duty-free industry, from new U.S. European relationships to the new economics of oil and energy. An equally full schedule is planned for 1991.

On the book publishing front, a successful *Business Travel Guide to Europe* appeared in January — and is now being updated to include Eastern European capitals. The IHT also acquired full ownership of the *French Company Handbook*, which it had co-published since 1981, while also helping to launch a major new financial directory, the *Micropal International Fund Guide*.

Speaking for the more than 400 full-time members of the IHT's worldwide staff, I am pleased to extend our warmest thanks to all of you — readers and advertisers alike — for helping to make 1990 a year of such substantial progress. Your loyalty and support are the base on which everything we do is built and we hope we will continue to merit your confidence.



In an increasingly international world, we believe that the role played by a publication such as the IHT can be an increasingly important and exciting one. We look forward to a continued close association with you as we all strive to see more clearly and to understand more adequately the shape and direction of our changing, challenging world.

Respectfully yours,

Lee W. Huebner

Lee W. Huebner
Publisher

HEALTH / SCIENCE

HEALTH Q&A

Travel and Contact Lenses

Are there hazards in traveling while wearing contact lenses, particularly over long distances?

Besides the obvious inconveniences and aesthetic advantages, complications of wearing contact lenses for prolonged periods of time include allergy, irritation, painful corneal abrasions, and infection.

In the event of irritation or discomfort (overuse is the commonest cause for problems), remove lenses and blink the eyes to re-establish the film of tear fluid, upon which the cornea depends for oxygen.

Because of the low humidity in commercial airplane cabins, the cornea will tend to dry out. Therefore, remove lenses while asleep on long flights and store them in sterile solutions. Prior to departure, have your lenses sterilized (these facilities may not be available at some destinations). Pack an extra set of lenses or glasses and ample supplies of solutions, as they are not universally available.

□

What is chicorée, which I often see promoted throughout Europe (especially France) as a substitute for coffee?

Chicorée (English *chicory* or *succory*) is a Mediterrean herb, naturalized in North America, where the tall stalks of blue flowers are common along the waysides.

It is grown extensively in Europe for its root, which when roasted and powdered, is used as a coffee substitute or adulterant. In this form, it is a noncaffeine beverage low in fat and minerals.

Chicory is also used as a pot herb and, in various forms (endive, escarole), for salads.

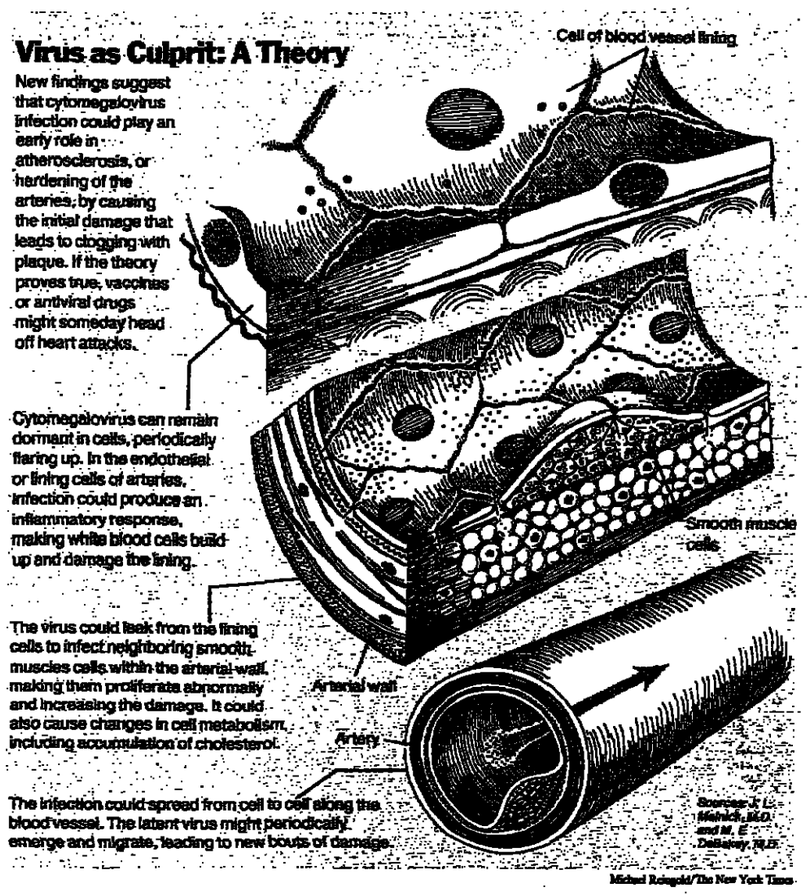
□

We are an American family returning to the United States from Singapore with a pet bird. What are the rules for importing birds?

All birds, including those taken out of the country and returned, are subject to control and restrictions imposed by the U. S. Department of Agriculture (USDA). In brief, they are as follows:

- All birds must be quarantined on arrival for at least 30 days in a USDA-operated facility (at your expense: about $110 per bird).
- Advance quarantine space is reserved by submitting VS Form 17-23 (with full amount) and the accompanying health certificate.
- For those birds originating in the United States that have been outside the country for more than 60 days, a U. S. veterinary health certificate will suffice for entry.

Michael McGannon, M.D., will answer questions from readers every other Thursday. Please write to him at the International Herald Tribune, 181 Avenue Charles de Gaulle. 92521 Neuilly, France.



Michael Rotondi/The New York Times

Virus May Have Role In Arteries' Clogging

By Sandra Blakeslee
New York Times Service

NEW YORK — A common viral infection may be the first step in a complex process in which human arteries become clogged as people age, a growing number of heart specialists say.

Although some experts say the findings are entirely circumstantial, a number of other scientists are impressed by evidence linking the disease of clogged arteries, atherosclerosis, with a member of the herpes virus family called cytomegalovirus.

The evidence stems from several lines of recent research:

- Heart transplant recipients infected with cytomegalovirus experience a vastly accelerated form of atherosclerosis that blocks arteries in a matter of months. Transplant recipients who do not have the virus eventually develop the disease but the process takes many years.
- Arterial tissue taken from ordinary atherosclerosis patients is frequently infected with cytomegalovirus.
- Chickens infected with a related virus develop a type of atherosclerosis almost identical to the human disease. But when the animals are kept free of the virus and are fed a high-cholesterol diet, they do not develop clogged arteries.
- A rodent version of cytomegalovirus is quickly incorporated into the hearts and arteries of experimental rats.

These findings suggest that viruses could play an early, critical role in atherosclerosis, said Dr. Joseph L. Melnick, a molecular virologist at Baylor College of Medicine in Houston. "Thus far it is only a hypothesis," he said, "but we think it is very much worth pursuing."

If viruses initiate atherosclerosis, Dr. Melnick said, it would mean more efforts should be made to develop vaccines or anti-viral drugs rather than concentrating almost exclusively on other risk factors like cholesterol.

But other experts discount the cytomegalovirus hypothesis. Eighty percent of Americans are infected with cytomegalovirus, said Dr. Russell Ross, a leading expert on atherosclerosis at the University of Washington in Seattle. The data "do not tell you if the virus is an innocent bystander along for the ride or if it plays some role in the disease," he said. "Cause and effect are not proven."

Nevertheless, the viral hypothesis deserves more attention, said Dr. Michael E. DeBakey, a prominent heart surgeon at Baylor.

"I operate on people with severe atherosclerosis," he said. "Only a third of them have high cholesterol." The majority of patients have more or less normal cholesterol, Dr. DeBakey said, "which makes me think something else is going on."

Atherosclerosis is a progressive disease of the arterial wall in which the inner layer thickens, causing narrowing of the channel and thus impairing blood flow. It starts in childhood but usually does not seriously impair health until middle or late adulthood; eventually it kills more Americans than any other single condition.

There are two major theories as to how the disease develops.

The first holds that the problem begins when the artery's inner layer, the endothelium, is chronically injured by turbulence of blood or some other kind of insult. This leads to the accumulation of fats in raised streaks, which kicks off a complex process in which cells of the immune system, platelets and growth factors are stimulated to interact within the endothelium. Eventually smooth muscle cells proliferate at the site of injury. Over time, the site accumulates fats, cholesterol, foam cells, collagen, clotting factors, calcium and more cells of the immune system in a raised lesion called plaque. Some plaques are densely lean and fibrous while other are rich in fat and cholesterol.

The second theory results from studies showing that the majority of material in plaque is often derived from a single cell. Plaque might therefore be a non-cancerous tumor that grows inside arterial walls.

BOTH models are consistent with the idea that viruses play an early role in the disease process, Dr. Melnick said. While dietary cholesterol, high blood pressure, cigarette smoking, genetic factors and other risk factors are important, he said, no one yet understands what makes the disease start in the first place.

Viruses fit the role of perpetrator better than innocent bystander, Dr. Melnick said. Like all six members of the herpes family of viruses, cytomegalovirus has the capacity to remain mostly dormant in cells for a lifetime, springing to life from time to time.

If cytomegalovirus were to reside in endothelial tissues of the arteries, Dr. Melnick said, it could ignite the earliest injury process. Since the virus does not kill its host cell, it could re-ignite the process many times. It could also transform single cells into cancer-like growths by taking over the cell's genetic machinery.

Doctors Pioneer Gene Therapy for Cancer

By Natalie Angier
New York Times Service

NEW YORK — Two cancer patients have become the first people to receive gene therapy in an attempt to defeat otherwise incurable tumors.

In a procedure that lasted barely 20 minutes, the patients, a 29-year-old woman and a 42-year-old man, were each infused with about 100 million white blood cells Tuesday.

The cells enfolded a genetically engineered copy of a gene that makes a potent anti-cancer enzyme. The extremely experimental method is designed to deliver the enzyme, tumor necrosis factor, directly to colonies of tumors cells that have spread throughout the body.

Once at the tumor site, the enzyme, in theory, will disintegrate the malignant tissue while leaving the rest of the body unscathed.

Both patients suffer from metastatic melanoma, a lethal type of skin cancer, and are not expected to live more than a few months without the new approach.

Conventional cancer treatments, like chemotherapy and radiation, are almost always useless against advanced melanoma.

Malignant melanoma is among the most rapidly increasing cancers in the United States, currently afflicting 8,000 to 10,000 people each year, many of whom die in less than a year after the cancer has begun to spread.

Dr. Steven A. Rosenberg of the National Cancer Institute in Bethesda, Maryland, who heads the gene therapy project, cautioned that researchers would not be able to judge for at least several months whether it works.

The start of the trial Tuesday marked the second use of gene therapy against human disease. In the first experiment, researchers treated a young girl suffering from a rare hereditary immune disorder by giving her white blood cells that contained the crucial gene she lacks. The researchers said they were happy with the child's progress.

Dr. Rosenberg's use of gene therapy against a common adult cancer is an effort to dramatically broaden the usefulness of the difficult and expensive technology. But the project has had technical difficulties that Dr. Rosenberg and his colleagues are still ironing out.

Dr. Kenneth Culver of the National Cancer Institute, who is working on the gene therapy project to treat the hereditary immune disorder, said the researchers have had trouble inserting the tumor necrosis gene into the white blood cells and trouble keeping it producing enough enzyme to effectively attack tumors.

"It's a difficult experiment, and there's a lot we don't know yet," said Dr. Culver, who has intermittently collaborated with Dr. Rosenberg on the melanoma experiment. "It's still a black box."

Dr. Rosenberg acknowledged that the therapy was still not perfected. "We're working round the clock," he said, "but this is state of the art, and a lot of things have to work right. We're learning constantly and we're getting much better at it."

Previous efforts to treat cancer by directly injecting tumor necrosis factor into the bloodstream failed, largely because scientists could not give high enough doses of the compound to kill the cancer without risking the death of the patient as well.

To greatly diminish that risk, the Rosenberg team has inserted the gene for tumor necrosis factor into a class of white blood cells that specifically home in on tumors. Thus, the cells should not deliver the dangerous enzyme to anything other than malignant tissue.

PARIS FASHION

Saint Laurent's Mellow Perfection

International Herald Tribune

PARIS — Yves Saint Laurent sent out Wednesday a collection of absolute perfection — as light as the breeze that blows away a storm; as pure and tranquil as the day that follows. These were not clothes gusting a mighty wind of fashion change. But in their femininity, grace and womanly charm, they gave a sense that the battle of the sexes is won and skirmishes about hemlines over.

In the current political situation, this seemed a prescient fashion sense of calm after conflict. That

SUZY MENKES

mood was reinforced by a New Look silhouette — waist in, and skirt with a swing — and platform-soled 1940s shoes.

"It was a summary of all my work and, as always, a poem to women," said the designer, who was in good form, although fuddled in his speech as he talked to the backstage crowd.

The show started by redefining skirts. They were slightly flared and stopped just above the knee, which looked exactly right and emphasized that the short and slim is out. The tailored jackets were nothing new, although the square shoulder pads have been cut down to normal size and tussore and shantung held the shape without giving a cement-like construction.

The colors throughout were exquisitely delicate: a blouse in a putty shade; its pleated skirt the color of sand-blasted-stone. These pale color tones would suddenly hot up, so that a soft chartreuse green broke into emerald, and pink came in gradations from Bengali rose, through cyclamen to claret. A dainty sky blue shoe would peep from under a long almond green dress to give just a flick of surprise, but never a shock.

The news came with the focus on the dress — as soft as butter in georgette, cinched at the waist and served up in navy with a dollop of white piqué at neck and sleeves and a deep-crowned straw hat. These Gigi dresses, which came in rainbows of color, in crisp flower prints or even as ankle-length skirts under bolero jackets for evening, sound unbearably girlish. In fact, they seemed grown-up and a way for Saint Laurent to lead women out of aggressive tailoring and into the post-feminist uplands.

Other dresses — swinging loose from a dropped waistline with fullness at the back — didn't work so well, but the idea of ease and lightness came across.

"All the fabrics are so light and there is no constriction," said Saint Laurent. The airy look came through at night as a full-length coat wrapping a slim dress in a mist of organza. Steel gray satin slithering across the body or a smoky puff of chiffon are effortless high wire acts of cutting that set untouchable standards for haute couture and also levels of taste. Saint Laurent abandoned this season the show-a-leg slits and sensual bodices that had turned into an orgy of indulgence in his October ready-to-wear show.

This couture collection displayed the mellow ripeness of a great designer who has every technique at his command to realize his creations. A slim-line dress? Here is a tricolor of fuschia, pimento and yellow crepe, its hood trickling into a cowl, its front tucked into a V-shape across the tummy. A blouse? Then try rosy bias-cut georgette laid across the bosom like a brush stroke. Embroidery? There is a crust of pearls and gilt to give a caftan neck to tunic and pants; here flowers worked in thick silky stitches like a hand-stitched greeting card. The past? A few echoing memories of Balenciaga in the gossamer evening coats drifting to the floor. The future? Ah, that is another story.

If you were 18, in love and in the money, you might be wise to choose a dress at Saint Laurent. But you might also choose to be foolish — and go instead to Christian Lacroix, who has a touch of the divine madness that Saint Laurent possessed when he sent out in the 1960s a crocodile biker's jacket edged in mink, bare midriffs lapped in African beads and just the molded metallic breastplates that Lacroix recreated in Sunday's show.

Pierre Bergé has been announcing this week that "we are in the last years of haute couture" because there is no one in Paris to carry on the great tradition.

"I am not saying that haute couture has no future," Bergé said Wednesday. "Why should I say that when I love the haute couture and it has given me so much joy. But there are three reasons: the enormous cost for the clients, who are getting fewer; the fact that ready-to-wear is so strong; and that there is no one, apart from Givenchy and Yves who has any talent or moderstands haute couture."

Bergé would be wise to remember that Yves Saint Laurent did not spring fully formed from Dior's atelier like Botticelli's angel. And that 20 years ago he sent out his Carmen Miranda collection that had clients walking out of the salon muttering *"C'est magnifique, mais ce n'est pas la haute couture."*

Moore/Lamb

Yves Saint Laurent's full-skirted flowery dress.

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ACROSS

1 Arab's robe
4 Maple genus
8 Boat of the Far East
14 Gibbon
15 Actor O'Shea
16 Interstice
17 What convalescents need
18 Game fish
19 Kindle
20 Ike and Tina Turner hit
23 Kind of dome
24 Prior, in poesy
25 Vestige
29 Granular snow
30 Fusses
32 Egyptian deity
33 Affirmative
34 Words from a hit of The Five Stairsteps
36 Oahu drink
37 Greek island
38 Dizzy Gillespie number
44 Supreme Being
47 Large land mass
48 Litigators
49 Where to find Machu Picchu
50 Young horses
52 ——-Magnon
53 Restorative
54 Lloyd Price pop hit
57 Without a key
60 Eric of "Monty Python"
61 Yalie
62 Containing no meat or milk, in Judaism
63 Beatty and Rorem
64 Bishopric
65 Expunges
66 Gaelic
67 Double curve

DOWN

1 City 90 miles E of Pittsburgh
2 Bunk!
3 Extensive collection of data
4 Island in the Moluccas
5 So long, in Siena
6 Huxley who wrote about Africa
7 Argentine port
8 Uttered
9 Jargon
10 Hanukkah candelabra
11 Hawaiian taro dish
12 Old, in Oldenburg
13 Born
21 "Lenore" poet
22 Hoagie, e.g.
26 French friend
27 Mountain pass
28 Conclude
30 Daytime TV fare
31 Members of a branch of Islam
34 Ab —— (from the start)
35 Naval off.
36 Sea mollusks
38 Dolt
39 Barcelona bear
40 Actress Zadora
41 Similar
42 Juliet or Viola
43 Chicken-farm structure
44 Columbus, e.g.
45 Firebirds
46 Dukes' domains
49 Nanki-—— ("Mikado" role)
51 Dry white wine
53 "—— Foolish Things . . ."
55 Corrida sounds
56 Auto pioneer
57 Rue Morgue murderer
58 Seaman
59 "—— pro nobis"

Solution to Previous Puzzle

S	A	F	E		T	R	E	E	D		B	A	N	G
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D	O	W	N	G	R	A	D	E		A	C	T	E	D
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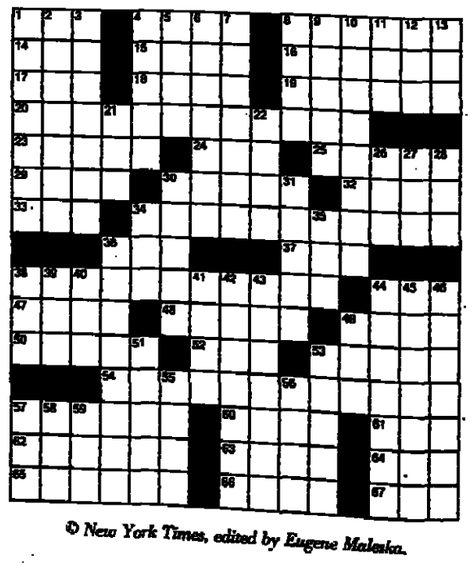

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NYSE

Wednesday's Closing

Tables include the nationwide prices up to the closing on Wall Street and do not reflect late trades elsewhere. *Via The Associated Press*

12 Month High	Low	Stock	Div	Yld	PE	Sls 100s	High	Low	4 P.M.	Ch'ge
A										
32½	9⅞	AAR	.48	4.1	10	2638	11⅞	10⅝	11⅝	+1⅛
9½	7½	ACM n	1.03e	11.4	–	524	9¼	9	9	– ⅛
11⅛	8¾	ACMIn	1.26	11.6	–	1275	11	10⅝	10⅞	– ⅛
8⅞	8½	ACM M n	1.01	12.8	–	360	7⅞	7⅝	7⅞	
12¼	10	ACMMM	1.50	12.2	–	125	12¼	12⅛	12¼	
11⅝	8⅝	ACM Sc	1.26	12.3	–	1189	10⅛	10¼	10⅜	– ⅛
9⅜	7⅝	ACMSo	1.01	11.9	–	452	8⅝	8½	8½	– ⅛
25¾	17	AL Lab	.16	.6	20	157	24⅝	24¼	24⅝	+ ⅜
4	1	AM Intl			–	1005	1¼	1⅛	1⅛	– ⅛
17¾	6⅝	AM In pf	2.00	27.6	–	35	7½	7¼	7¼	– ¼
10⅝	8⅝	AMEVSc	1.05a	11.4	–	46	9½	9¼	9¼	
78¼	39⅜	AMR			–	12107	55	52⅞	54⅞	+2⅜
26¾	25	ANR pf	2.67	10.5	–	1	25½	25½	25½	
44¼	29¼	ARCOCh	2.50	6.9	11	329	36	35⅜	36	+ ⅜

(Continued on page 13)

NYSE Highs-Lows

NEW HIGHS 93

AlaP 828pf, AmFamily, AHithPr, Arvin, AustrStk n, BardCR, Baxter, Benef 430pf, BoltBernk, BristMySq, CUC Intl, Christiana, Comdreinf, ComPsyc, ConAgra s, CooperIn, Comginc, CntrCred, CntrCrd pf, DanielInd, DukeP pfK, EscoEl n, FabriCtr s, FedSignal s, FstWachov, FundAmer, GnMotrE s, GeoPwr 230pr, HillsttnRehab, HomeDepot s, Homeplex, HouseFab, IBP Inc, Imcera, IndM 776pf, IBM, IntFlav Fr, IntlPaper, IntpubGp, Ionics, JacobsEng s, JohnsJhn, KCPL 233pf, Kroger, LawtInt s, Litton Ind, LIL Co pfT, Lubrizol, MACOM, Medtronic, Merck, NatMedEn, NatwHlIPr, NIM 875pf, NwstPbSvc, OakwdHm, OhEd 440pf, OreStl s, PhEl 430pf, PhEl 875pf, PhEl 950pf, PhilMor, PolicyMgt n, PrecCast, vlPSNH 375p, vlPSNH 386p, vlPSNH 325g, PSEG 680pf, PSEG 808pf, RAC Mtg, RJR Nab pf, RP Ror n, RiteAid, RohmHaas, SaftyKln, SvcoCp, Svamstr, SmthBchm, SmthBch ea n, SwstAirl s, StrideRte, SymblTch, Tektronix, Thorlnd, UST, Unifi, Unit Illum, US Surg s, ValeroEn pf, VarianAsc, Vivra s, Walgreen wi, WhelbTch

NEW LOWS 18

BET Plc, BurlingCoat, CCX Corp pf, CMS Enrgnc, DelmarPL, vlEaglePch, FMC Gold, HillsDept, HondaMot, MesaLP pf, MilestnPrp n, MilestnPr pf, SizelerPty, StarlOptcl, Thackeray, UJB Fncl pf, VintgePtr n, WstnGas pf

مكبرا من الاصل

International Herald Tribune
BUSINESS/FINANCE
** THURSDAY, JANUARY 31, 1991

INTERNATIONAL MANAGER

Executive Compensation: Risky Business for Some

By Claudia H. Deutsch
New York Times Service

NEW YORK — Anthony Luiso, chief executive of International Multifoods Corp., was due for a $100,000 raise last year. He not only turned it down, but also told the board of the Minneapolis-based food giant to hold back $100,000 of his bonus. In the place of those raises, he took $200,000 in stock options, exercisable in 10 years at $32.625 each, the price on the day the deal was signed.

"Executives should have enough at risk so that they spend a couple of sleepless nights over their decisions," Mr. Luiso said.

So far, he has reason to toss. As he figures it, the stock, which was trading in the mid-30s last week, must hit $40 a share before he will have access to something worth the money he gave up.

Companies are getting serious about making top managers own stock.

And it would have to go much higher than that for him to make anywhere near what he might have by investing the money. Nonetheless, Mr. Luiso, 46, is committed to the same trade-off for four more years — and has asked four other executives to do the same. "We should be in the same shoes as the shareholders," he said.

The idea of aligning management's interest with that of shareholders is nothing new. But traditionally, companies have offered stock or stock-related incentives in addition to — not in lieu of — salary or cash bonuses.

Slowly, in these hard times, that is changing. On Wall Street, where salaries once paled in comparison to bonuses, Merrill Lynch, Morgan Stanley, Lehman Brothers and others are asking executives to take part of their already-decimated bonuses in stock — or, in the case of privately held companies, "phantom stock," whose value is tied to performance measures.

Compensation consultants report that manufacturing companies, whose executives have come to expect income stability, are adding risk to their compensation systems.

"They finally realize that stock programs that are all upside and no downside do not assure that executives will act in the interest of all shareholders," said Ira T. Kay, of the Hay Group's executive compensation practice in New York.

THE RESULT, said Alan M. Johnson, managing director of Handy Associates' executive compensation consulting practice in New York, is that "companies are finally getting serious about requiring executives to own stock."

Chrysler Corp. certainly is. In April, Chrysler issued guidelines for how much stock it expected each of its 100 top executives to hold, based on that executive's salary and position.

According to Thomas F. Houston, manager of media relations, the company offered neither loans nor price breaks — just a strong suggestion that careers might depend on it.

"They were told — firmly, I think is the fair description — that they were expected to reach a certain level of ownership by the end of 1990," Mr. Houston said.

Companies willing to use blatant coercion are rare, however.

One concern wants its executives to forgo the blocks of stock they had been promised and accept, instead, options for three times as many shares at a price 50 percent higher than the stock is now selling for, according to Louis J. Brindisi Jr., a senior partner at Strategic Compensation Associates in New York.

There is, however, a problem. "They're pretty sure the stock will rise and the executives could triple their money," said Mr. Brindisi, "but they can't bring themselves to ask yet."

F. Kenneth Iverson, chief executive of Nucor Corp., would probably laugh at such financial wimpishness. For close to 20 years, Nucor, a steel company in Charlotte, North Carolina, has paid its top 18 people about 75 percent of what they could have made elsewhere.

And it pegs their bonuses to return on equity. If the return is below 8 percent, they get just salary. But if it hits 20 percent, they get salary plus 91 percent in cash and another 41 percent in stock. At 14 percent — Nucor's typical return on equity — the officers make about 66 percent on top of base salary.

U.S.-U.K. Aviation Talks Break Down

By Steven Prokesch
New York Times Service

LONDON — The latest round of talks aimed at fashioning a new civil aviation treaty between the United States and Britain ended angrily Wednesday after neither side would budge over final demands by the British.

The U.S. government has been eager to obtain a treaty that would allow Trans World Airlines to transfer its rights to operate out of London's Heathrow Airport to American Airlines, and let Pan American World Airways switch its rights to United Airlines.

Under the current treaty, those rights are specifically given to TWA and Pan Am.

TWA, which is financially weak, and Pan Am, which is in bankruptcy proceedings, want to complete the deals as soon as possible. The United States wants to protect the rights its carriers have to fly to Heathrow, the London airport preferred by international passengers.

[The director of United Airlines' international operations, Cyril Murphy, said that the stalemate was endangering Pan Am and TWA, The Associated Press reported.

["Unfortunately, as a consequence of the failure to reach this agreement, and the Gulf war," he said, "it means the United States has two carriers which are at substantial risk."]

Charles Angevine, deputy assistant secretary of state for transportation affairs and a member of the U.S. negotiating team, said negotiators "simply made no progress" in the fifth round of talks.

The British government blamed the United States for ending the latest round.

"There was very little movement and the U.S. cut off the talks on the grounds that their negotiating mandate was exhausted," a spokesman for the Transport Department said. "We had understood that this was an urgent matter for the U.S. If that is right, they will need to get a more constructive negotiating mandate and return to the table."

A "major stumbling block," Mr. Angevine said, was the British demand that its carriers be able to fly to the United States from European countries other than Britain even if the flight did not originate in Britain. The United States does not allow the airlines of other European countries to do this.

He said Britain also wants to limit the amount of service provided by United States carriers at Heathrow to its current level. That would be a concession, since under the existing treaty, Pan Am and TWA have the right to operate more flights out of Heathrow than they do at present.

In addition, Mr. Angevine said, Britain was demanding that the so-called "beyond rights" from Heathrow now enjoyed by Pan Am and TWA — for a plane to fly to Heathrow and then to continue to other destinations like Frankfurt or the Middle East — be eliminated. In some cases, Pan Am and TWA have also been able to pick up passengers in Britain before proceeding to those other destinations.

Mr. Angevine said such concessions would be especially unacceptable since Britain was also demanding additional rights for its carriers in the United States on the grounds that American and United would be stronger competitors than TWA and Pan Am.

■ TWA Debt Downgraded

Standard & Poor's Corp. said Wednesday it lowered its ratings on $315 million of senior debt and special revenue bonds held by Trans World Airlines to triple C-plus from single B-minus, United Press International reported from New York.

U.S. Indicators Edged Higher In December

By Lawrence Malkin
International Herald Tribune

NEW YORK — The Commerce Department's index of leading indicators on Wednesday signaled some resilience in the economy in December. The White House called this "encouraging news," but analysts warned that it was an uncertain forecasting guide.

The morning after President George Bush told Congress that the recession would end soon and the economy would start growing again, the Commerce Department reported that the index of leading indicators rose 0.1 percent last month, the first gain in six months. Economists had forecast a decline of 0.2 percent.

Despite the rise, the index ended 1990 with a decline of 3.6 percent for the year.

Coming after last week's report of a lower-than-expected decline of 2.1 percent in gross national product in the final quarter of last year, the leading indicators gave analysts and the stock market some hope that the recession had begun to bottom out.

The Dow Jones industrial index closed just over 50 points higher Wednesday after analysts posted buy recommendations on selected blue chips. Volatile over-the-counter stocks also climbed.

Brett Discher, chief of stock trading at Dain Bosworth, said the president's economic predictions and his State of the Union appeal for lower interest rates "gave people hope of a light at the end of the tunnel."

Meanwhile, the Congressional Budget Office also pulled back from the worst in projecting federal deficits of $298 billion for the fiscal year ending this September, and again the following year.

CBO Director Robert Reischauer said that Gulf war costs were not included in the estimate and were "sure to add" to the budget deficit. Nevertheless, his estimate is a slight improvement on the White House's own forecast of a $318 billion gap for the current year. It mainly stems from what now appears to have been a more accurate and somewhat more optimistic reading of the economy last year, which means slightly higher revenues.

The Commerce Department said six of its 11 leading indicators rose in December, led by higher stock prices, a longer workweek, more plant and equipment orders, higher consumer expectations, fewer jobless insurance claims and a rise in order backlogs. The negative readings appeared in consumer goods orders, building permits, delivery times, commodity prices and the nation's money supply.

The last time the index rose was in June, also by 0.1 percent. That hardly makes it a foolproof gauge inasmuch as the recession is reckoned to have started within the next month or so. Just as a three-month fall is the rule-of-thumb signaling recession, three months of rises are supposed to point the way out.

Stephen Slifer of Lehman Government Securities said large commercial aircraft orders helped boost the more volatile parts of the December index, and he expected some of the employment-based statistics to decline in January. He said it would be "a mistake to conclude from this report that the recession is about to come to an end."

Peter Radford of NatWest Bancorp said the figures at least showed that the economy was not falling into a downward spiral. Some analysts had feared as much when the November index was published giving a 1.6 percent drop, but that was now revised to 1.1 percent. It is such unreliablity that led economists such as Robert Brusca of Nikko Securities to dismiss the index generally and remark that the December increase "is still a weak number."

The latest statistics gave no clue to how quickly the economy might

See INDEX, Page 12

At U.S. Urging, EC Will Cut Airbus Subsidies

Reuters

BRUSSELS — European Community governments, seeking settlement of a four-year-old trade dispute with the United States, agreed Wednesday to offer to slash subsidies to the aircraft maker Airbus Industrie, diplomats said.

EC foreign ministers will formally approve, without further discussion next Monday, a negotiating mandate that will authorize the European Commission to offer to eliminate production aid to Airbus and cut development subsidies by up to 45 percent.

The draft mandate was agreed upon during a weekly meeting of ambassadors from the 12 EC governments in Brussels.

"This will allow the 12 member states to present a common position to the United States," one EC official said. Another official said there is still a gap between what the Community is offering and what the United States has been demanding on development support.

Airbus groups Aerospatiale of France, Messerschmidt-Bölkow-Blohm of Germany, British Aerospace PLC and CASA of Spain. The rules agreed upon with the United States would apply to all government support within both the Community and the United States for aircraft manufacturers.

The mandate also foresees negotiations with other countries to rewrite rules laid down under the General Agreement on Tariffs and Trade on aircraft subsidies.

The Community worries that banned subsidies might be channelled to U.S. aircraft manufacturers through subsidiaries established in other countries.

The United States has threatened to complain to GATT if an agreement on cutting subsidies is not reached.

■ EC Aims to Help Airlines

The Community is studying ways to help European airlines handle losses resulting from the Gulf war, Agence France-Presse reported. The EC Commission gave that reassurance following a meeting of executives from all major airlines in EC countries and Turkey, with EC commissioners.

Sources in Brussels said the Commission may be ready to close its eyes temporarily to some government subsidies for airlines, or to infringements of competition regulations.

East European Bank Defines Investment Goals

By Leigh Bruce
International Herald Tribune

LONDON — The West's fledgling bank for Eastern Europe announced on Wednesday that it had made significant progress toward defining its overall strategy, investment priorities, and relations with other international financial institutions during three days of meetings with shareholders.

"They reached substantial agreement on what to do, what's involved, and how to go about it," a spokesman said. But, he added, "it's an evolving program; a lot of work remains to be done before the bank becomes operational."

The London-based bank, the European Bank for Reconstruction and Development, was created to help Eastern Europe move toward democracy and market economics. It will begin work formally when shareholders representing two-thirds of the voting power have ratified the bank's founding statutes.

The bank's 39 shareholders include the European Community, the European Investment Bank, all the principal industrialized countries and the new East European democracies.

So far 14 shareholders representing 40 percent of the voting power have completed ratification, and the threshold is expected to be passed by the end of February.

The shareholders, which have put up 10 billion Ecus ($13.8 billion) in initial capital, have tentatively agreed to inaugurate the bank at a series of formal meetings April 15 to 17.

A British delegate said the shareholder meetings had been "very constructive and cordial" and that those in attendance had been "very happy with the progress achieved."

Since a period of sharp friction during the summer between the bank's president-designate, Jacques Attali of France, and some shareholders, the bank has moved quickly to prepare for operations.

During the latest round of meetings, Mr. Attali and his skeleton team presented findings from their recent studies of East European needs. The shareholders agreed in broad form to a list of initial investment priorities as a result.

They can be grouped into three broad areas. The first includes private-sector development, privatization and restructuring of private enterprises. The second involves financial-sector reform, setting up venture capital and mutual funds, and the establishment of "financial intermediaries," including private banks.

The third broad area covers energy efficiency projects, the environment, and infrastructure projects — telecommunications and energy in particular.

The meetings in London also began discussions of strategies for specific countries. For example, the bank might focus on privatization in Poland, where the process is most advanced. In Hungary, however, efforts to develop the banking sector have received higher priority and could take greater precedence.

The bank announced the appointment of a nine-member economic advisory board to assist in the task of designing specific strategies.

Shareholder sources said the shareholders had discussed financial and operational guidelines for involvement in specific projects, but few firm decisions were made.

The shareholders also considered how to cooperate with other international bodies — like the European Community, the Group of 24 industrialized nations or international financial institutions — on specific projects already under consideration.

A bank spokesman denied recent reports that the shareholders had imposed a board of directors with substantial executive powers on Mr. Attali and blocked his attempt to get approval for an extensive branch network in Eastern Europe.

"These issues were not even discussed," the spokesman said. He pointed out that both questions had been decided during the last shareholders meeting in October.

The bank will be managed by an executive committee headed by Mr. Attali, but all key decisions must be approved by a resident board of directors. The October meeting also agreed that branch offices might be opened as the need arose.

CURRENCY RATES

Cross Rates

Jan. 30

	$	£	D.M.	F.F.	Lira	D.Fl	B.F.	S.F.	Yen	C$	Peseta
Amsterdam	Not Available										
Brussels	30.6875	60.1875	20.58	6.0645	2.7462 *	18.2975	—	24.2925	0.2204	26.54	32.715 *
Frankfurt	1.4935	2.925	—	0.2948	0.1334 *	0.8873	4.86 *	1.1807	1.134 *	1.2894	1.60 *
London (a)	1.965	—	2.9231	9.9214	2,190.50	3.298	60.335	2.48	257.355	2.2680	182.50
Madrid	93.37	182.86	62.528	18.431	8.341 *	55.482	3.0308	73.880	70.93 *	80.58	—
Milan	1,119.25	2,198.40	749.48	220.98	—	664.97	36.426	884.38	8.495	966.85	11.992
New York (b)	—	1.9650 a	1.4878	5.0495	1,116.00	1.678	30.63	1.2625	131.15	1.1605	92.945
Paris	5.067	9.917	3.3926	—	0.4527 *	3.01	0.1649	4.0028	3.8444 *	4.376	5.428 *
Tokyo	131.75	258.69	88.27	26.02	0.1176	78.34	4.2901	104.32	—	112.70	N.A.
Toronto	1.1609	2.2759	0.7784	0.2293	1.030 *	0.6914	3.775 *	0.9166	0.8842 *	—	1.244 *
Zurich	1.272	2.4881	0.8481	0.25	0.1132 *	0.7522	4.1269 *	—	0.9615 *	1.0965	1.3985 *
1 ECU	1.3815	0.7006	2.0511	6.9607	1,538.40	2.3121	42.2392	1.7282	181.183	1.6005	128.355
1 SDR	1.4337	0.732	2.1472	7.2645	1,605.02	2.4151	44.086	N.A.	188.817	1.6685	133.864

*Closings in Amsterdam, London and Zurich, fixings in other centers; New York closing rates, Toronto rates at 3 p.m. a: To buy one pound; b: To buy one dollar; *: Units of 100; N.Q.: not quoted; N.A.: not available.*

Other Dollar Values

Currency	Per $	Currency	Per $	Currency	Per $	Currency	Per $
Argen. austral	7301.0	Greek drac.	159.10	Mex. peso	2945.00	S. Afr. rand	2.5475
Austral. $	1.2771	Hong Kong $	7.7905	N. Zealand $	1.6681	Soviet ruble*	0.5518
Austr. schil.	10.52	Indian rupee	18.45	Norw. krone	5.834	Swed. krona	5.568
Brazil cruz.	201.28	Indo. rupiah	1885.01	Phil. peso	27.72	Taiwan $	26.64
Chinese yuan*	5.2221	Irish £	0.5612	Port. escudo	131.65	Thai baht	25.15
Danish krone	5.74	Israeli shek.	1.9808	Saudi riyal	3.7504	Turkish lira	2976.00
Egypt. pound	2.9173	Kuwaiti dinar	n.q.	Sing. $	1.726	UAE dirham	3.6718
Fin. markka	3.616	Malay. ring.	2.6955	S. Kor. won	718.70	Venez. boliv.	53.07

*New York rates unless marked * (local rate.)*

Forward Rates

Currency	30-day	60-day	90-day	Currency	30-day	60-day	90-day
Pound Sterling	1.9456	1.9348	1.925	Canadian dollar	1.1619	1.1654	1.1683
Deutsche mark	1.4917	1.4893	1.4865	Japanese yen	131.65	131.51	131.41
Swiss franc	1.2647	1.2637	1.2625				

Sources: NMB Bank (Amsterdam); Indosuez Bank (Brussels); Banco Commerciale Italiana (Milan); Banque Nationale de Paris (Paris); Bank of Tokyo (Tokyo); Royal Bank of Canada (Toronto); IMF (SDR); Gosbank (ruble). Other data from Reuters and AP.

INTEREST RATES

Eurocurrency Deposits

Jan. 30

	Dollar	D-Mark	Swiss Franc	Sterling	French Franc	Yen	ECU	SDR
1 month	[illegible]	[illegible]	8-8 1/8	[illegible]	[illegible]	8-8 1/8	9 7/8-10	8 1/8
2 months	7-7 1/8	9-9 1/8	8-8 1/8	[illegible]	[illegible]	[illegible]	10-10 1/8	[illegible]
3 months	7-7 1/8	[illegible]	8-8 1/8	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
6 months	7-7 1/8	[illegible]	8-8 1/8	13 1/4-13 3/8	[illegible]	7 7/8-8	[illegible]	8 1/2
1 year	[illegible]	[illegible]	8-8 1/8	[illegible]	[illegible]	7 3/4-7 7/8	[illegible]	8 1/2

Sources: All Reuters except ECU: Lloyds Bank.
Rates applicable to interbank deposits of $1 million minimum (or equivalent).

Key Money Rates

Jan. 30

	Close	Prev.
United States		
Discount rate	6 1/2	6 1/2
Prime rate	9 1/2	9 1/2
Federal funds	6 7/8	7 1/8
Com. paper 90-179 days	6.60	6.60
3-month Treasury bills	6.18	6.19
6-month Treasury bills	6.32	6.24
1-year Treasury bills	6.15	6.19
30-year Treasury bond	8.23	8.21
2-month CD's	6 1/2	6.30
3-month CD's	6 1/2	6 1/2
Japan		
Discount rate	6.00	6.00
Call money	8 1/32	8 1/16
2-month interbank	8 3/32	8 1/16
3-month interbank	8 1/32	8 1/32
Germany		
Discount rate	6.00	6.00
Lombard rate	8 1/2	8 1/2
Call money	8.55	8.65
1-month interbank	8.80	8.80
3-month interbank	9.20	9.20
6-month interbank	9.30	9.30
Britain		
Bank base rate	14.00	14.00
Call money	14 1/16	14 1/8
3-month interbank	13 15/16	13 15/16
6-month interbank	13 7/8	13 7/16
France		
Intervention rate	9 1/4	9 1/4
Call money	10 1/8	10 1/8
1-month interbank	9 7/8	10.00
3-month interbank	10.00	10 1/16
6-month interbank	10 1/16	10 1/8

Sources: Reuters, Salomon Brothers, Bank of Tokyo, Commerzbank, Crédit Lyonnais.

Asian Dollar Deposits

Jan. 30

1 month	[illegible]
2 months	7 1/8 - 7 1/4
3 months	[illegible]
6 months	[illegible]
1 year	7 1/4 - 7 3/8

Source: Reuters.

U.S. Money Market Funds

Jan. 30

Merrill Lynch Ready Assets
30-day average yield: 7.08
Telerate Interest Rate Index: 6.725

Source: Merrill Lynch, Telerate.

GOLD

Jan. 30

	A.M.	P.M.	Ch'ge
Hong Kong	376.05	373.45	— 3.80
Luxembourg	371.75	—	— 5.70
Paris (12.5 kilo)	374.36	371.27	— 8.89
Zurich	373.40	367.50	— 9.55
London	369.75	367.10	— 9.70
New York	—	368.35	— 7.65

Luxembourg, Paris and London official fixings; Hong Kong and Zurich opening and closing prices; New York spot market close. All prices in U.S. $ per ounce.

Source: Reuters.

War Must Not Undercut East's Reform, EC Says

Compiled by Our Staff From Dispatches

BRUSSELS — The EC Commission said Wednesday that the Gulf war must not be allowed to jeopardize prospects for economic reform in Eastern Europe.

Frans Andriessen, the commissioner for external relations, told a meeting of senior officials from the 24 leading industrialized countries that they have committed $38 billion to the region over the past 18 months, and the aid was providing a major lift to Eastern Europe.

In a clear reference to the Gulf crisis, Mr. Andriessen said: "There can be no question of allowing external shocks or uncertainties to jeopardize prospects for reform in central and Eastern Europe.

"Countries which have been courageous enough to introduce currency convertibility, privatization and other bold reforms in a highly uncertain international climate deserve the full support of the Community and of all the industrialized countries."

He said it was gratifying that the G-24 members and other countries had signalled their willingness to help overcome financial problems in Eastern Europe stemming partly from the situation in the Gulf.

The aid program, launched at the Paris economic summit in July 1989, is coordinated by the Commission, the EC's executive body.

Originally targeted at Poland and Hungary, the program was extended in July 1990 to Czechoslovakia, Bulgaria and Yugoslavia and to East Germany.

Extension of aid to Romania, for purposes other than humanitarian assistance, was assured of approval at Wednesday's meeting, sources said. Romanian officials were invited to the meeting.

Earlier plans to include Romania were scrapped when demonstrations in Bucharest were violently suppressed last June, but officials feel the Romanian political situation has settled down.

A progress report said Poland had received about 40 percent of the $38 billion, followed by Hungary at 27 percent and Czechoslovakia at 5 percent. About 23 percent has not been allocated.

The aid total includes $8 billion in grants, $12 billion in loans or credits and $11 billion in capital to the new European Bank for Reconstruction and Development.

Contributions from such financial institutions as the World Bank and the European Investment Bank total $6 billion.

About 35 percent of aid has been export credits and investment support. *(Reuters, UPI)*

Hills Will Seek an Extension of GATT Talks

By Stuart Auerbach
Washington Post Service

WASHINGTON — Encouraged by European moves to lower farm subsidies, Carla A. Hills, the U.S. trade representative, plans to seek more time from Congress to continue global trade talks that collapsed in December, administration officials have said.

The officials cautioned, however, that Mrs. Hills' plans could change if the European Community failed to move its farm reform program forward within the next two weeks. And key lawmakers warned that the administration's request for an extension of negotiating authority, which must be made before March 1, could be defeated unless Mrs. Hills can point to specific progress in the trade talks.

The Hills decision came after meetings here this week with Frans Andriessen, an EC vice president, who indicated that the Europeans were engaged in long-term changes in their agricultural support programs and now were willing to discuss subjects that were declared off-limits during the trade talks in Brussels.

At stake are four years of negotiations on the General Agreement on Tariffs and Trade, or GATT, that collapsed after the EC, Japan and South Korea balked at changes in farm subsidies.

[Trade sources said Wednesday that Arthur Dunkel, the GATT director general, had summoned negotiators to Geneva to try to break the impasse on the subsidy issue, Reuters reported.

[Mr. Dunkel will begin bilateral meetings on Thursday with representatives from the EC, the United States and other farm exporters seeking subsidy cuts, the sources said, adding that it is possible that key negotiators could meet as a group as well.

["He's trying to increase the pace and level of activity," a source said.

[Trade Minister John Crosbie of Canada, a major farm exporter, said after meeting Mr. Andriessen in Ottawa on Tuesday that there was a reasonable chance now that the talks could be concluded successfully.]

Since December, the EC, faced with internal budget problems caused by the cost of its farm subsidies, began considering changes that U.S. officials said would meet most American objectives.

Three weeks ago, Mrs. Hills said that the trade talks had collapsed because "of a lack of political will" on the part of the EC and other nations and asserted that she would not request extra time for the negotiations until there was a concrete demonstration of EC willingness to discuss the farm trade issue.

Senator Lloyd Bentsen, Democrat of Texas and chairman of the finance committee, said, "The administration would not have an easy time getting an extension past Congress."

The political opposition is being led by U.S. industrial and farm interests — including textile manufacturers, dairy farmers and peanut and sugar growers — that would lose their protected position under tougher international trade laws.

Intel Plans to Spend Heavily To Keep Itself a Chip Ahead

New York Times Service

PALO ALTO, California — In a bold move to stay ahead of its competitors, Intel Corp. plans to spend as much as $1 billion on new plants and equipment this year.

If it does, it would be the leader in capital spending among chip makers, American or Japanese.

Chairman Gordon Moore told securities analysts here Tuesday that Intel's capital spending would be $800 million to $1 billion.

The figure is up sharply from about $670 million last year. It would double the less than $450 million spent the year before that.

"This is definitely a first for a company to spend $1 billion," said Rajiv Chandhri, semiconductor analyst with Goldman, Sachs & Co.

Japanese semiconductor companies, he said, are being more conservative because they already make too many dynamic random access memory, or D-RAM, chips.

■ Compaq Net Soars

Compaq Computer Corp., bucking weakness in the industry, said Wednesday its fourth-quarter earnings surged 70 percent because of strong sales of new products and good growth overseas, news agencies reported.

Compaq earned $134.8 million, or $1.50 a share. That was near the top of the range of analysts' estimates and was up from $79.1 million, or 92 cents, a year earlier.

Compaq shares surged $3.625 to $66.875 on the New York Stock Exchange. *(AP, UPI, Reuters)*

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MARKET DIARY

Rally Drives Dow 50 Points Higher

United Press International

NEW YORK — Stocks rallied Wednesday in heavy trading on the New York Stock Exchange, with the Dow industrials topping 2,700 for the first time since August on a buying spree driven by optimism about the Gulf war and the economy.

The Dow Jones industrial average, which rose 8.16 points Tuesday, surged 50.50 to 2,713.12. It was the first time the leading index closed above 2,700 since Aug. 15, shortly after the Iraqi invasion of Kuwait, when the market was on its way down from record highs.

The New York Stock Exchange's curb on program buying was triggered Wednesday in the last minute of trading. Program buying had helped the rally.

Among broader market gauges, the NYSE composite index gained 2.65 to 186.02 and the Standard & Poor's 500-stock index climbed 5.07 to 340.91.

Advances overwhelmed declines by about a 4-1 margin. Volume was about 226.8 million shares, compared with 155.7 million shares Tuesday.

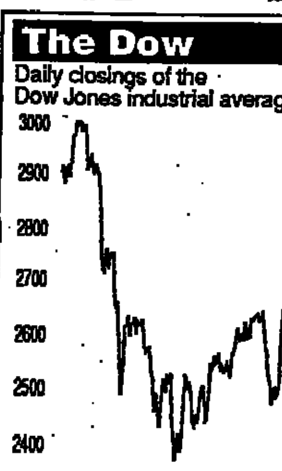
Prices rallied in active trading on the American Stock Exchange.

"The feeling is that there's not only going to be a short war, but a short recession," said Hugh Johnson, chief economist at First Albany Corp. in Albany, New York. "That combination served to pull some of the cash that's been building up on the sidelines off the sidelines."

Mr. Johnson said investors became more upbeat about the economy after a leading indicators report released Wednesday surpassed expectations.

N.Y. Stocks

Via Associated Press Jan. 30



Dow Jones Averages

	Open	High	Low	Last	Chg.
Indus	2663.61	2725.99	2654.70	2713.12	+50.50
Trans	1030.32	1075.46	1025.56	1065.06	+35.44
Util	205.55	207.37	204.54	206.17	+0.37
Comp	953.85	981.68	952.05	975.42	+19.76

Standard & Poor's Indexes

	High	Low	Close	Ch'ge
Industrials	403.14	396.40	403.14	+6.56
Transp.	262.67	253.60	262.54	+8.00
Utilities	138.22	137.29	137.58	+0.12
Finance	24.81	24.32	24.81	+0.49
SP 500	340.91	335.69	340.91	+5.07
SP 100	323.06	317.32	323.06	+5.66

NYSE Indexes

	High	Low	Close	Ch'ge
Composite	186.02	184.00	186.02	+2.65
Industrials	232.28	229.37	232.28	+3.75
Transp.	158.40	154.97	158.40	+4.18
Utilities	88.69	88.45	88.53	+0.17
Finance	128.10	126.51	128.10	+2.05

NASDAQ Indexes

	High	Low	Close	Ch'ge
Composite	408.57	400.31	408.53	+7.92
Industrials	452.27	441.82	452.11	+10.48
Finance	375.03	368.73	373.97	+5.48
Insurance	474.32	468.64	472.42	+3.87
Utilities	524.42	514.48	522.48	+4.45
Banks	263.62	260.68	263.25	+2.12
Transp.	462.00	447.91	461.42	+12.90

AMEX Stock Index

High	Low	Close	Ch'ge
314.50	310.41	314.47	+3.90

Dow Jones Bond Averages

	Close	Ch'ge
20 Bonds	92.85	+0.13
10 Utilities	94.69	+0.10
10 Industrials	91.01	+0.16

NYSE Most Actives

	Vol.	High	Low	Last	Chg.
AmExp	43511	21⅞	20⅝	21⅞	+1⅛
Alcan	30146	21	20½	21	+⅜
PhilMr	26569	55⅞	54⅝	55⅞	+⅞
Unisys	26538	2¼	2⅛	2⅛	−⅛
IBM	25233	127	124⅝	127	+2½
Compaq s	24289	67⅛	63⅞	66¾	+3½
SouthCo	24204	26¾	26⅛	26¼	−½
FordM	22520	27⅝	26⅞	27⅜	+1⅛
McDonl	22441	27¾	26⅞	27¾	+1
GnMotr	19946	35½	33⅞	35½	+1⅝
Boeing s	19227	47⅜	46⅝	47⅜	+¾
AT&T	18550	32¼	31⅝	32	+⅜
FedNM	17948	39½	38⅛	39⅜	+1⅛
Waste	17469	39⅞	38½	39⅝	+1
Chase	16980	12	11⅛	11⅞	−⅛

AMEX Most Actives

	Vol.	High	Low	Last	Chg.
Diasonc	6975	3¾	3⅛	3⅝	+⅝
Amdhl	6687	16½	15¼	16⅛	+1
MagmC	4359	5⅝	4⅞	5½	+½
FruitL	4061	10¼	9⅞	10	−⅛
Incstar	3842	6¾	6⅛	6⅛	−⅛
TubMax	3171	6⅝	6⅛	6¼	−⅛
viCnlAr	2639	2¼	2	2⅛	
MetMB s	2609	11¾	10⅞	11¾	+1
CornCr	2608	16	14¾	16	+1⅛
DowC rt	2603	5⅝	5⅛	5⅝	+⅜
TRC	2540	9⅛	8⅝	9	+⅜
EchoBy	2530	7⅝	7⅛	7½	−⅛
A-ma sc	2474	29	27⅞	28⅞	+1
Cablvsn	2234	16¼	14	16	+1⅜
WDigitl	2207	5½	5⅛	5⅜	

NYSE Diary

	Close	Prev.
Advanced	1217	826
Declined	404	686
Unchanged	385	482
Total Issues	2006	1994
New Highs	93	48
New Lows	18	15

Amex Diary

	Close	Prev.
Advanced	373	328
Declined	206	202
Unchanged	214	233
Total Issues	793	763
New Highs	29	18
New Lows	17	4

NASDAQ Diary

	Close	Prev.
Advanced	1,342	1,077
Declined	582	733
Unchanged	2,222	2,338
Total Issues	4,146	4,148

Market Sales

NYSE 4 p.m. volume	226,790,000
NYSE prev. cons. close	189,452,640
Amex 4 p.m. volume	15,170,000
Amex prev. cons. close	13,841,000
NASDAQ 4 p.m. volume	202,656,100
NASDAQ prev. 4 p.m. volume	152,063,000
NYSE volume up	176,409,580
NYSE volume down	34,201,630
Amex volume up	8,728,430
Amex volume down	3,742,775
NASDAQ volume up	137,884,774
NASDAQ volume down	28,417,667

N.Y.S.E. Odd-Lot Trading

	Buy	Sales	Short*
Jan. 29	402,329	702,386	85,540
Jan. 28	489,576	541,465	23,576
Jan. 25	590,718	631,312	47,164
Jan. 24	625,713	606,961	10,313
Jan. 23	563,968	515,771	6,188

*Included in the sales figures.

Dividends

Company	Per	Amt	Pay	Rec
USUAL				
Barnett Banks Inc	Q	.33	4-2	3-11
Carpenter Technol	Q	.60	3-7	2-8
Citicorp Inc	Q	.41½	3-20	2-22
Commerce Bancorp	A	.10	3-12	2-19
Dean Foods Co	Q	.18½	3-15	2-22
First Security Co	Q	.32	3-4	2-15
Hibernia cl-A	Q	.15	2-27	2-13
IWC Resources Corp	Q	.34½	3-1	2-11
Northeast Util	Q	.44	3-28	3-1
Roanoke Elec Steel	Q	.12	2-25	2-11
Union Camp Corp	Q	.39	3-13	3-4
Weigh-Tronix Inc	Q	.10	3-15	2-22

a-annual; m-monthly; q-quarterly; s-semi-annual

Source: UPI.

Currency Options

Jan. 30

PHILADELPHIA EXCHANGE

Option & Underlying	Strike Price	Calls—Last Feb	Mar	Jun	Puts—Last Feb	Mar	Jun
31,250 British Pounds-cents per unit.							
Pound	187½	r	8.45	r	r	0.80	r
196.14	190	5.95	r	r	0.32	1.45	r
196.14	192½	r	r	r	0.46	r	r
196.13	195	1.40	r	4.26	1.45	3.55	7.45
196.14	197½	0.75	r	r	2.90	r	r
196.12	200	0.23	0.90	r	r	r	r
50,000 Canadian Dollars-cents per unit.							
Dollr	83½	r	r	r	r	r	0.50
86.26	84	r	r	r	r	r	0.64
86.26	85	r	r	r	r	0.35	0.95
86.26	85½	0.83	r	1.12	0.18	0.44	r
86.26	86	0.45	r	r	0.36	0.70	r
86.26	86½	0.17	r	r	r	r	r
62,500 German Marks-cents per unit.							
Mark	64	-	r	r	0.04	0.17	0.80
66.95	64½	r	r	s	0.06	r	
66.95	65	r	2.20	r	0.12	0.35	r
66.95	65½	1.50	r	s	0.18	r	
66.95	66	1.02	r	r	0.23	0.72	1.51
66.95	66½	r	r	s	0.39	0.85	
66.95	67	0.43	0.97	r	r	1.16	2.06
66.95	67½	0.25	r	s	0.97	r	
66.95	68	0.25	r	r	r	r	r
66.95	69	r	0.29	r	r	r	r
66.95	70	r	0.15	r	r	r	r
66.95	71	r	0.09	r	r	r	
6.25 mil Yen-100ths of a cent per unit.							
Yen	68	r	r	r	r	r	0.19
75.93	69	r	r	r	r	r	0.32
75.93	70	r	r	r	r	r	0.47
75.93	71	r	r	r	r	r	0.60
75.93	72	r	r	r	0.05	r	r
75.93	73½	r	r	s	0.14	r	
75.93	74	r	r	r	0.20	r	r
75.93	74½	r	r	s	0.31	0.82	
75.93	75	r	r	r	0.43	r	r
75.93	76	0.73	1.21	2.00	r	r	2.29
75.93	77	0.42	r	r	r	r	r
75.93	78	0.20	r	r	r	2.72	r
75.93	78½	r	0.40	s	r	r	
75.93	80	0.04	r	r	r	r	
75.93	81	r	r	0.54	r	r	r
75.93	83	r	r	0.27	r	r	r
62,500 Swiss Francs-cents per unit.							
Franc	76	r	r	r	r	r	1.12
	77	r	r	r	0.22	0.66	r
	77½	r	r	s	0.21	r	s
	78	1.16	r	r	0.41	r	r
	78½	r	r	s	0.60	r	s
	79	r	r	2.00	0.87	r	2.40
	80	0.32	0.64	r	1.54	r	

Total call vol. 8,274; Call open int. 275,829
Total put vol. 15,279; Put open int. 379,713
r—Not traded. s—No option offered.
Last is premium (purchase price).

S&P 100 Index Options

Jan. 30

Strike Price	Calls-Last Feb	Mar	Apr	May	Puts-Last Feb	Mar	Apr	May
265	56½	57⅛	—	—	⅛	⅛	—	—
270	—	—	—	—	⅛	¼	—	—
275	48	—	—	—	¼	1⅛	—	—
280	43	42⅝	40½	—	⅛	1⅜	2⅜	—
285	36⅞	38⅝	—	—	⅜	1⅝	2⅝	—
290	33⅜	34	—	—	⅜	2	3¼	5⅛
295	28⅜	—	31½	—	⅜	2⅜	4⅛	—
300	24⅛	24⅝	25⅝	29	⅜	3	5⅛	7⅛
305	19⅝	23	—	—	1⅛	3⅝	6	—
310	14⅛	17⅝	19½	21⅜	1⅜	4⅛	7	9
315	10⅝	14⅛	15½	—	2½	6⅛	8⅛	—
320	6¾	10½	14	14⅛	3⅝	7⅝	10½	13
325	3¾	7⅝	10	—	6	10	13	—
330	1⅝	5⅝	7⅝	9	10⅛	13	14⅝	18
335	⅝	3⅝	5⅝	—	14	17	19⅝	—

Calls: total vol. 166,739; total open int. 309,732
Puts: total vol. 166,482; total open int. 406,169

	Dec 92	Dec 93	Dec 92	Dec 93
27½	—	7⅝	1⅛	—
30	5⅝	—	2⅛	—
32½	4	—	3½	—

Calls: total vol. 118; total open int. 4,718
Puts: total vol. 497; total open int. 28,589

Source: CBOE.

Spot Commodities

Commodity	Today	Prev.
Aluminum, lb	0.665	0.67
Coffee, lb	0.83	0.83
Copper electrolytic, lb	1.176	1.176
Iron FOB, ton	213.00	213.00
Lead, lb	0.33	0.33
Silver, troy oz	3.815	3.83
Steel (billets), ton	473.00	473.00
Steel (scrap), ton	105.17	105.17
Tin, lb	3.6622	3.6557
Zinc, lb	0.5921	0.5921

European Futures

Jan. 30

	Close		High	Low	Prev. Close	
SUGAR (FOX) U.S. Dollars per metric ton-lots of 50 tons						
Mar	192.80	193.00	193.00	190.80	192.60	192.80
May	195.40	195.80	195.60	193.80	194.40	195.40
Aug	200.80	201.20	201.20	199.20	200.00	200.80
Oct	200.20	200.80	200.80	199.20	199.60	200.20
Dec	200.20	202.00	200.80	199.40	200.00	201.40
Mar	198.80	200.00	199.40	197.60	198.20	199.20
May	200.40	202.40	200.80	200.80	200.00	201.60
Est. Sales 2,354.						
COCOA (FOX) Sterling per metric ton-lots of 10 tons						
Mar	615	617	628	610	631	633
May	654	655	662	644	663	665
Jul	682	683	691	674	691	693
Sep	710	712	720	705	721	722
Dec	745	746	752	739	751	752
Mar	772	773	777	766	778	779
May	795	796	800	790	800	802
Est. Sales 10,784.						
COFFEE (FOX) Sterling per metric ton-lots of 5 tons						
Jan	522	523	525	518	516	517
Mar	523	524	534	520	523	524
May	530	531	544	530	529	531
Jul	545	546	558	545	544	545
Sep	563	564	571	561	564	565
Nov	578	577	586	575	574	576
Jan	585	592	592	592	587	589
Est. Sales 5,811.						

	High	Low	Close		Ch'ge
WHITE SUGAR (Matif) Dollars per metric ton-lots of 50 tons					
Mar	292.50	290.50	292.00	294.00	+0.80
May	292.00	289.50	290.50	292.00	+1.80
Aug	297.50	297.50	296.20	298.00	+1.10
Oct	270.00	270.00	271.00	273.00	+1.00
Dec	N.T.	N.T.	266.00	268.00	+2.50
Mar	N.T.	N.T.	271.00	273.00	+2.36

Est. sales 1,912. Prev. sales 1,547.
Open interest 12,660.

	High	Low	Last	Settle	Ch'ge
GASOIL (IPE) U.S. dollars per metric ton-lots of 100 tons					
Feb	228.50	218.50	226.00	226.00	+7.75
Mar	202.00	195.00	201.00	200.75	+5.50
Apr	184.00	180.75	182.00	182.00	+3.75
May	178.00	175.50	176.75	176.50	+2.50
Jun	178.00	175.50	176.00	176.50	+3.00
Jul	178.00	175.50	176.00	174.00	+0.50
Aug	175.00	175.00	175.00	174.00	+0.25
Sep	N.T.	N.T.	N.T.	177.25	+2.00
Oct	N.T.	N.T.	N.T.	175.00	N.Q.

Est. Sales 9,000. Prev. sales 9,079.
Open interest 50,868

	High	Low	Last	Settle	Ch'ge
BRENT CRUDE OIL (IPE) U.S. dollars per barrel-lots of 1,000 barrels					
Mar	20.90	20.25	20.40	19.61	−0.86
Apr	20.25	19.75	19.75	19.14	−0.67
May	19.60	19.30	19.35	18.57	−0.73
Jun	19.10	19.10	19.10	18.25	−0.58
Jul	18.80	18.80	18.80	18.25	−0.50
Aug	18.80	18.80	18.80	18.25	−0.50

Est. Sales 20,000. Prev. sales 18,171.
Open interest 69,135

Sources: Matif, Int'l Petroleum Exchange, Reuters.

London Metals

	Close Bid	Close Ask	Previous Bid	Previous Ask
ALUMINUM (High Grade) Dollars per metric ton				
Spot	1464.00	1466.00	1476.00	1477.00
Forward	1498.00	1500.00	1509.00	1510.00
COPPER CATHODES (High Grade) Sterling per metric ton				
Spot	1228.00	1230.00	1191.00	1193.00
Forward	1228.00	1239.00	1212.50	1213.00
LEAD Sterling per metric ton				
Spot	294.00	295.00	303.00	304.00
Forward	308.00	308.50	317.00	317.25
NICKEL Dollars per metric ton				
Spot	8500.00	8510.00	8480.00	8485.00
Forward	8460.00	8475.00	8440.00	8470.00
TIN Dollars per metric ton				
Spot	5565.00	5570.00	5560.00	5570.00
Forward	5680.00	5685.00	5675.00	5680.00
ZINC (Special High Grade) Dollars per metric ton				
Spot	1139.00	1141.00	1132.00	1134.00
Forward	1145.00	1148.00	1134.00	1135.00

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Dollar Is Pushed Lower After Round of Buying

Compiled by Our Staff From Dispatches

NEW YORK — The dollar finished lower Wednesday in quiet trading, as an early round of buying met technical resistance, pushing the currency back down.

News of a ground skirmish in Saudi Arabia and an unexpected rise in U.S. December leading indicators had little impact.

Foreign Exchange

The dollar closed at 1.4878 Deutsche marks, compared with 1.4960 DM on Tuesday. It also ended at 131.15 yen, down from 132.15. Speculative buying had pushed the dollar to highs of 1.5005 DM and 132.36 yen.

"It was more a matter of cowboys pushed the dollar up and then cowboys sold it off," said Charles Wheeler, foreign exchange manager of Swiss Volksbank in New York, referring to speculative traders at major banks.

The U.S. Commerce Department reported that the government's Index of Leading Indicators rose 0.1 percent in December, after revised declines of 1.1 percent in November and 1.2 percent in October. It was the index's first gain in six months.

Françoise Soares-Kemp, a vice president for treasury with Credit Suisse, said traders were were "still focused on fact that the U.S. economy is dragging and things could get a lot worse."

The British pound edged up to $1.9633, after $1.9595.

The U.S. currency dropped to 1.2625 Swiss francs, from 1.2677, and to 5.0495, from 5.0770.

Earlier, in London, the dollar marked some gains in quiet trading, the U.S. data and Gulf skirmish lending support.

The dollar finished at 1.4985 DM, compared with 1.4869 on Tuesday, and at 132.10 yen, compared with 131.40.

The U.S. currency edged up to 1.2710 Swiss francs, after 1.2589, and to 5.0845 French francs, after 5.0450. *(Reuters, UPI)*

U.S./AT THE CLOSE

U.S. Sues Arco and Union Carbide

WASHINGTON (Reuters) — The Justice Department said it filed a civil lawsuit seeking fines of $1 million each from Atlantic Richfield Co. and Union Carbide Corp. for allegedly violating merger notification requirements under the antitrust law.

At issue was the 1989 acquisition by Atlantic Richfield's chemical unit of assets owned by Union Carbide for $22 million. The suit charged the two companies did not give sufficient notice of the deal.

Bank Bailout May Cost $6.7 Billion

WASHINGTON (AP) — The 1988 rescue of First RepublicBank Corp. of Dallas — the most expensive American bank bailout ever — likely will cost double the original estimate of $2 billion to $3 billion, largely because of "preposterous tax breaks," a congressional report said.

The report said the bailout will cost the government's deposit insurance fund between $4.7 billion and $6.7 billion The FDIC's most recent estimate is $2.9 billion.

U.S. Sours on Sale of Oil Reserves

NEW YORK (AP) — The government is scaling back the release of crude oil from the nation's strategic reserve largely because companies do not want the inferior oil that makes up the bulk of the stockpile.

Officials announced after the start of the Gulf war that a small part of the reserve would be opened to bids. But most of the available high-sulfur, or "sour," crude went unclaimed because it is difficult to refine. The government said it will sell only 2.95 million barrels of the crude.

Philip Morris Earnings Rise 24%

NEW YORK (Combined Dispatches) — Philip Morris Cos. said Wednesday its earnings rose 23.8 percent in the fourth quarter and 26.7 percent in 1990, excluding a big one-time gain in the previous year.

The company said net income was $880 million, or 95 cents a share, in the quarter, compared with $863 million, or 93 cents a share, a year earlier. For the year, earnings jumped to $3.54 billion, or $3.83 a share, from $2.95 billion, or $3.18 a share, in 1989. *(AP, Reuters)*

Bethlehem Steel Loss at $523 Million

BETHLEHEM, Pennsylvania (UPI) — Bethlehem Steel Corp. announced a net fourth-quarter loss of $522.7 million on Wednesday due to a $550 million net restructuring charge. A year earlier, Bethlehem had net income of $43.6 million, or 58 cents a share.

INDEX: *Outlook Remains Unclear*

(Continued from first finance page)

recover, given the heavy drag from the debt-laden U.S. financial system, the uncertainties of the Gulf war and tight money reining back expansion in Japan and Germany.

The White House press secretary, Marlin Fitzwater, nevertheless welcomed the figures as a follow-up to the president's speech. Mr. Bush offered few new programs to ease the effect of the slump and did not focus heavily on the administration's eagerly anticipated proposals to reform the banking system.

Instead, the president revived his pet proposal to cut capital gains taxes. The one new wrinkle was a proposal for the Congress and the administration "to sort out our technical differences" by commissioning a study led by Federal Reserve chairman Alan Greenspan of a tax cut's impact.

The proposal raised eyebrows in Washington as it is virtually unprecedented for a Fed chairman to lead a study of such a politically charged fiscal issue, even though Mr. Greenspan is a declared advocate of a capital gains tax cut. A Federal Reserve spokesman said the chairman knew about the proposal in advance and was willing to lead the study, but he stressed that it would only be a technical one.

Stanley Collender, a budget analyst with Price Waterhouse in Washington, said that given Democratic opposition in Congress, the president probably proposed the study to appease Republican right-wingers who favor the tax cut.

Gold Prices Settle About $8 Lower in New York

Reuters

NEW YORK — Gold prices settled about $8 lower Wednesday on talk of big sales of the precious metal by institutions in the Middle East to fund the Gulf war effort.

Spot February gold was down $7.60 an ounce, after sliding to $365.10, while gold for April delivery was off $8.00 at $369.70.

"We saw very aggressive selling through Swiss dealers," said William O'Neill, senior futures strategist at Merrill Lynch.

He added that a large Saudi Arabian bank was said to be a major gold seller.

In London, gold fell to a three-month low on rumors of major selling of the precious metal by the Soviet Union and parties in the Middle East.

Gold briefly dropped below $365 an ounce, its lowest trading price since mid-October and down from a high of $411 just after the outbreak of the war on Jan. 17. It closed at $367.35, a fall of $8.90 on the day.

There has been growing market speculation that the Soviet Union may have to raise gold sales to get hard currency.

Moscow sold gold to Western commercial banks last year with a pledge to buy it back later, and are probably now finding it hard to extend these so-called swaps, analysts said.

"It may well be that some of their swaps are being liquidated and they can't buy the gold back, but it's pure speculation," said Andy Smith, an analyst with Union Bank of Switzerland.

"Trade is fairly thin, so it does not take much in that sort of vacuum for a couple of rumors that the Russians and other parties may be selling to move the market."

WORLD STOCK MARKETS

Agence France Presse Jan. 30

Amsterdam

	Close	Prev.
ABN Amro Hld	34.80	33.80
ACF Holding	32.20	31.80
Aegon	119.60	117
Ahold	62.80	62.40
Akzo	80	78.60
AMEV	50.90	49.80
A'Dam Rubber	3.50	3.50
Bols	180.50	179.70
Buhrmann Tett	49.30	49.60
Center Parcs	21.50	22
CSM	81.80	81.40
DAF	18.30	17.70
DSM	95.30	95.20
Elsevier	72.80	73
Fokker	28	27.70
Gist-Brocades	28.40	27.90
Heineken	132.70	132.50
Hoogovens	42.30	42.70
Hunter Douglas	56.30	56.50
IHC Caland	45.70	45.70
Inter Mueller	72.50	72.50
KLM	19.60	19.40
KNP	40	38.90
Nat Neder	55	56.50
Nedlloyd	38.90	39.30
NMB Postbank	42.10	44
Oce Grinten	42.10	41.70
Pakhoed	168.50	168.50
Philips	22.70	22.50
Robeco	87.40	87.20
Rodamco	56.30	56
Rolinco	81	80.40
Rorento	61.40	61.30
Royal Dutch	125.50	125.70
Unilever	145.40	145.10
Van Ommeren	39.80	39.60
VMF Stork	44.20	43.40
VNU	79.70	79.50
Wessanen	65.90	65.10
Wolters/Kluwer	47.30	47.30

CBS Gen'l Trend Index : 88.10
Previous : 79.70

Brussels

	Close	Prev.
AG Fin	4200	5970
Arbed	3130	3090
Barco	944	940
Bekaert	N.Q.	6450
Cockerill	N.A.	—
Cobepa	4640	4620
Delhaize	5900	5880
EBES	N.A.	—
GB-Inno-BM	40.70	41.10
GBL	N.Q.	—
Gevaert	6150	6200
Hoboken	N.A.	—
Intercom	151.25	148.75
Kredietbank	3245	3255
Petrofina	9820	9740
Royal Belge	3610	3610
Soc Gen Banque	4200	4145
Soc Gen Belgique	1915	1920
Sofina	10050	10025
Solvay	10575	10400
Tractebel	2870	2850
UCB	16625	16500
Unerg Ps	N.A.	—

Current Stock Index : 4858.22
Previous : 4814.00

Frankfurt

	Close	Prev.
AEG	191	190.50
Allianz Hold	2148	2100
Altana	480.50	476
Asko	789	785
BASF	210.50	207.20
Bayer	231.90	227.90
Bay Hypo bank	307	304
Bay Vereinsbk	329	327
BBC	N.Q.	—
BHF Bank	372	366
BMW	386.50	385
Commerzbank	238.50	235
Continental	224.90	225
Daimler Benz	543	536.50
Degussa	304.80	298.50
Dt Babcock	146	147
Deutsche Bank	601	593.40
Douglas	723	726
Dresdner Bank	336	332
Feldmuehle	458	458
Harpener	475	475
Henkel	443	444
Hochtief	1175	1168
Hoechst	215.30	212.10
Hoesch	189.50	185
Holzmann	1111	1098
Horten	172	172
IWKA	268	265.50
Kali Salz	133	127
Karstadt	539.50	537
Kaufhof	425	419
KHD	160	157
Kloeckner Werke	110	108
Krupp Stahl	125	125
Linde	742	740.50
Lufthansa	101.20	102
MAN	336	331
Mannesmann	273	263.80
Metallgesell	399	396
Muench Rueck	2170	2110
Nixdorf	287.50	284
PKI	506.50	507
Porsche	705	700
Preussag	235	233.60
PWA	196.50	186.50
RWE	360.50	354.50
Rheinmetall	295	291
Schering	689	686
SEL	307.50	305
Siemens	590.70	582
Thyssen	186	183
Varta	290	292
Veba	310.50	304.40
VEW	194	194.50
Viag	325	324.20
Volkswagen	327	322.50
Wella	680	676

DAX Index : 1408.73
Previous : 1388.36
FAZ Index : 498.25
Previous : 494.53

Helsinki

	Close	Prev.
Amer A	48	41
Enso-Gutzeit	16	16
K.O.P.	30	28.50
Kymmene	54	52.20
Nokia	53.40	—
Pohjola	91	88
Stockmann	98	98.20
United Papers	N.A.	—
Wartsila	N.Q.	—

Unitas Index : 354.80
Previous : 353.70

Hong Kong

	Close	Prev.
Bk East Asia	16.40	16.20
Cathay Pacific	7.35	7.40
Cavendish Int'l	3.70	3.65
Cheung Kong	13.90	13.80
China Light Pwr	16.50	16.30
Dairy Farm Int'l	10.50	10.60
Hang Lung Dev	5.70	5.65
Hang Seng Bank	24.20	25
Henderson Land	8.80	8.75
HK Air Eng.	15.90	15.90
HK China Gas	10.70	10.70
HK Electric	10.10	10.30
HK Land	7.55	7.55
HK Realty Trust	4.40	4.43
HK Shang Bank	4.83	4.80
HK Shang Htls	3.93	3.95
HK Telecomm	4.60	4.50
HK Ferry	3.95	4
Hutch Whampoa	13.10	13
Hysan Dev	1.19	1.19
Jardine Math.	27.80	28.20
Jardine Str Hld	14.90	15
Kowloon Motor	5.75	5.80
Mandarin Orient	4.35	4.30
Miramar Hotel	5.10	5.10
New World Dev	8.10	8.10
SHK Props	16.20	16.20
Stelux	2.48	2.65
Swire Pac A	16.50	16.40
Tai Cheung Prps	3.58	3.60
TVE	0.94	0.96
Wharf Hold	8.30	8.35
Wing On Co	7.40	7.45
Winsor Ind.	7.05	7.05
World Int'l	4.50	4.48

Hang Seng Index : 3200.87
Previous : 3192.94

Johannesburg

	Close	Prev.
AECI	13.50	12.75
Altech	80	80
Anglo Amer	84.50	84.50
Barlows	35.25	35
Blyvoor	10.15	10.15
Buffels	38	40
GFSA	57	58.50
Harmony	23	24.25
Highveld Steel	13.15	13.25
Kloof	34.25	35.25
Nedbank Grp	10.10	10.05
Rusplat	51	51.75
SA Brews	38.50	38.50
St Helena	27	27
Sasol	12.60	12.75
Welkom	16.75	16.75
Western Deep	83	90

Composite Stock Index : 2526
Previous : 2533

London

	Close	Prev.
Allied Lyons	4.84	4.76
Anglo Am Gld	30.36	30.44
AA Corp	12.81	12.81
Asda-MFI Gp	1.19	1.20
Ass Brit Foods	4.80	4.71
Barclays	3.58	3.44
Bass	9.38	9.28
B.A.T.	6.04	5.95
Blue Circle	2.18	2.14
BOC Group	5.26	5.18
Boots	3.25	3.15
Bowater	4.58	4.52
BAe	5.40	5.45
BAA	3.48	3.45
Brit Airways	1.32	1.30
British Gas	2.33	2.31
BP	2.99	2.97
British Steel	1.20	1.18
Brit Telecom	2.89	2.84
BTR	3.31	3.30
Burmah Oil	5	5
Cable Wire	4.78	4.63
Cadbury Sch	3.37	3.29
Charter Cons	4.07	3.98
Comm Union	4.66	4.53
Cookson	1	1
Courtaulds	3.21	3.20
Dalgety	3.50	3.47
De Beers	9.53	9.53
Dixons	1.45	1.42
Driefontein	5.05	5.19
Eurotunnel	4.55	4.25
Fisons	3.60	3.57
Gen Acc F	4.87	4.74
GEC	1.84	1.83
GKN	3.20	3.17
Glaxo	8.75	8.69
Grand Met	6.54	6.37
Gt Univ Stores	14.25	14.25
GRE	1.92	1.86
Guinness	7.50	7.40
Hanson Tr	2.02	1.95
Hawker Sidd	4.53	4.40
ICI	9.15	8.97
Kingfisher	3.77	3.63
Land Sec	5.41	5.36
Legal Gen Grp	3.83	3.70
Lloyds Bank	3	2.93
Lonrho	1.91	1.90
Lucas Ind	1.37	1.33
Marks Sp	2.29	2.20
Maxwell	1.44	1.39
MB Group	1.40	1.36
Midland Bk	1.61	1.58
NatWest	2.67	2.60
Pearson Grp	6.40	6.33
P and O	4.95	4.86
Pilkington	1.84	1.77
Prudential	2.08	2.02
Racal Elec	1.81	1.79
Randfontein	1.78	1.77
Rank Org	6	5.69
Reed Int'l	3.57	3.46
Reuters	7.68	7.24
Rolls Royce	1.46	1.46
Royal Dutch	N.Q.	—
RTZ	4.45	4.39
Saatchi	0.22	0.21
Sainsbury	3.26	3.18
Sears Holds	0.84	0.84
Shell	4.33	4.23
Siebe	6.42	6.33
STC	3.15	3.15
Std Chart Bk	2.11	2.06
Storehouse	1.85	1.89
Sun Alliance	3.42	3.33
Tate and Lyle	2.94	2.93
Tesco	2.36	2.31
Thorn EMI	6.48	6.32
T.I. Group	3.73	3.73
Trafalgar Hse	2.03	1.95
THF	2.24	2.19
Ultramar	3.06	3.01
Unilever	6.76	6.72
Utd Biscuits	3.41	3.39
Vickers	1.96	1.90
War Loan 3½	34.88	34.84
Wellcome	4.55	4.51
Woolworth	N.Q.	—

F.T. 30 Index : 1694.30
Previous : 1655.80
F.T.S.E. 100 Index : 2152.60
Previous : 2113.80

Madrid

	Close	Prev.
Bco. Bilbao/Viz.	2440	2370
Banco Central	4310	4300
Bco. Santander	4670	4595
Banesto	3230	3160
CEPSA	1585	1490
Dragados	2455	2390
Iberduero	695	680
Telefonica	892	879

S.E. General Index : 232.22
Previous : 227.45

Milan

	Close	Prev.
Banca Comm	3860	3825
Bastogi	268	259
Cigahotels	2180	2130
CIR	2120	2055
Cred Ital	2225	2250
Enimont	1395	1405
Eridania	4530	4509
Ferruzzi Fin.	1932	1945
Ferruzzi Agr.	N.Q.	6490
Fiat SPA	4750	4655
Generali	29600	29300
IFI	12050	11780
Italcem	18450	17820
Italgas	2402	2397
Italmobiliare	60800	58200
Mediobanca	13350	13050
Montedison	N.A.	—
Olivetti	3730	3830
Pirelli	1470	1473
RAS	15800	15720
Rinascente	4950	4970
Saipem	1030	1110
SIP	1195	1175
SME	2650	2625
Snia	1270	1254
Standa	28450	27950
Stet	1849	1810
Toro Assi Risp	18900	18400

MIB current Index : 954.00
Previous : 944.00

Montreal

	Close	Prev.
Alcan Aluminum	24¼	23¾
Bank Montreal	32	31⅝
Bell Canada	40⅜	39⅞
Bombardier A	16⅝	N.Q.
Bombardier B	15⅝	15⅞
Cambior	10⅛	10¼
Cascades	4	3.85
Dominion Text A	5⅝	5⅝
Donohue	11¼	11¼
MacMillan Bl	17	16⅞
Memotec	7⅛	7⅛
Natl Bk Canada	8⅛	8⅛
Noverco	N.A.	—
Power Corp.	16⅝	16¼
Provigo	10⅛	10¼
Quebec Tel	14⅝	14⅝
Quebecor A	16¼	16
Quebecor B	14⅜	14¼
Videotron	13¼	13⅛

Industrials Index : 1264.83
Previous : 1262.80

Paris

	Close	Prev.
Accor	627	605
Air Liquide	649	645
Alcatel Alsthom	546	537
Avions Dassault	461	470
Bancaire (Cie)	522	490
BIC	515	503
Bongrain	2340	2300
Bouygues	477	454.50
BSN-GD	772	760
Carrefour	3382	3366
Cerus	115.10	109.50
Chargeurs	707	700
Club Med	408.70	389
Elf-Aquitaine	284.80	278
Europe 1	1029	1020
Gen. Eaux	2282	2250
Hachette	179	168.50
Havas	390	387.30
Imetal	233.70	233
Lafarge Coppee	330	322
Legrand	3400	3400
Oreal (L')	472.90	465.10
L.V.M.H.	3245	3225
Matra	284.80	283.10
Merlin Gerin	459	436
Michelin B	77.80	73.80
Moulinex	81.20	79.90
Occidentale	660	659
Paribas	454	442.90
Pernod-Ricard	968	959
Perrier	1231	1230
Peugeot	431	418.20
Printemps (Au)	534	506
Radiotechnique	300	286
Raff. St. Louis	1215	1202
Redoute (La)	3418	3350
Roussel Uclaf	1460	1490
Saint Gobain	367.90	358.90
Sanofi	802	800
S.E.B.	1181	1186
Skis Rossignol	629	644
Ste Generale A	389	380
Suez	291.50	287
Telemecanique	N.Q.	—
Thomson-CSF	132.50	131
Total	566	569
Valeo	339	330

CAC 40 Index : 1582.45
Previous : 1554.09

Sao Paulo

	Close	Prev.
Banco do Brasil	46	43.80
Bradesco	5.50	5.30
Brahma	18.50	17.80
Paranapanema	1.44	1.33
Petrobras	330	305
Vale Rio Doce	57.20	52.60
Varig	17.50	17

Bovespa Index : 45716
Previous : 42315

Singapore

	Close	Prev.
City Dev.	2.79	2.83
DBS	9.70	9.40
Fraser Neave	7.70	7.70
Genting	N.A.	—
Harrisons Plant	1.39	1.39
Haw Par	1.99	1.93
Hume	3.02	3.40
Inchcape	3.84	3.86
Keppel	6.25	6.35
KL Kepong	2.70	2.67
Lum Chang	0.93	0.93
Malayan Banks	4.18	4.16
OCBC	7.50	7.50
OUB	4.82	4.88
OUE	5.20	5.25
Sembawang	5.65	5.70
Shangrila	5.10	5.25
Sime Darby	2.60	2.62
SIA	10.30	10.30
S'pore Land	5.40	5.45
S'pore Press	7.65	7.65
Sing Steamship	2.53	2.49
Straits Trading	2.43	2.45
UOB	6.35	6.15
United Overseas	1.36	1.35

Straits Times Ind. : 1268.44
Previous : 1250.58

Stockholm

	Close	Prev.
AGA	270	275
Alfa Laval	247	245
Asea	571	573
Astra -A	445	430
Atlas Copco	214	212
Electrolux B	189	194
Ericsson	200	198
Esselte-A	110	115
Handelsbanken	N.A.	—
Norsk Hydro	158.50	160
Procordia AF	150	155
Saab-Scania	200	200
Sandvik	265	265
SCA-A	115	120
S-E. Banken	67	67
Skandia F	N.A.	—
Skanska	327	325
SKF	89.50	90
Stora	295	303
Trelleborg B	107	107
Volvo	240	243

Affaersvaerlden : 942.89
Previous : 943.27

Sydney

	Close	Prev.
ANZ	3.44	3.43
BHP	10.15	10.20
Boral	3.53	3.53
Bougainville	0.79	0.79
Coles Myer	8.46	8.44
Comalco	3.79	3.84
CRA	9.76	9.76
CSR	4.92	4.93
Dunlop	4.99	5
Elders IXL	0.43	0.43
ICI Australia	3.72	3.63
Magellan	2.03	2.01
MIM	1.47	1.46
Nat Aust Bank	5.80	5.76
News Corp	5.24	5.22
N Broken Hill	1.56	1.59
Poseidon	1.29	1.30
QCT Resources	1.10	1.10
Santos	3.60	3.68
TNT	1.28	1.26
Western Mining	4.10	4.10
Westpac Banking	3.88	3.82
Woodside	2.60	2.70

All ordinaries Index : 1313.90
Previous : 1304.30

Tokyo

	Close	Prev.
Akai Electr	545	548
Asahi Chemical	682	682
Asahi Glass	1180	1150
Bank of Tokyo	1060	1070
Bridgestone	971	990
Canon	1260	1260
Casio	950	950
C.Itoh	658	672
Dai Nippon Print	1410	1420
Daiwa House	1860	1870
Daiwa Securities	1130	1180
Fanuc	4230	4180
Fuji Bank	2620	2660
Fuji Photo	3380	3370
Fujitsu	980	981
Hitachi	1110	1120
Hitachi Cable	895	871
Honda	1150	1170
Ito Yokado	3630	3710
Japan Airlines	1050	1060
Kajima	1550	1570
Kansai Power	2940	2980
Kawasaki Steel	402	405
Kirin Brewery	1420	1450
Komatsu	870	900
Kubota	614	616
Kyocera	4090	4030
Matsu Elec Inds	1650	1650
Matsu Elec Wks	1470	1480
Mitsubishi Bk	2320	2370
Mitsubishi Kasei	556	560
Mitsubishi Elec	650	660
Mitsubishi Hev	710	712
Mitsubishi Corp	1280	1300
Mitsui and Co	711	728
Mitsukoshi	1150	1150
Mitsumi	1080	1140
NEC	1370	1380
NGK Insulators	1050	1060
Nikko Securities	892	895
Nippon Kogaku	1100	1110
Nippon Oil	862	881
Nippon Steel	447	455
Nippon Yusen	551	555
Nissan	707	724
Nomura Sec	1740	1740
NTT (SF)	8887	8969
Olympus Optical	930	931
Pioneer	4490	4540
Ricoh	682	673
Sanyo Elec	548	545
Sharp	1220	1220
Shimazu	710	707
Shinetsu Chem	1180	1170
Sony	6290	6280
Sumitomo Bk	2070	2100
Sumitomo Chem	440	450
Sumi Marine	947	959
Sumitomo Metal	439	443
Taisei Corp	906	915
Taisho Marine	980	990
Takeda Chem	1640	1680
TDK	4630	4560
Teijin	512	572
Tokio Marine	1290	1320
Tokyo Elec Pw	3810	3850
Toppan Printing	1330	1350
Toray Ind.	613	609
Toshiba	698	703
Toyota	1700	1730
Yamaichi Sec	872	882

Nikkei 225 : 23610
Previous : 22460
Topix Index : 1711
Previous : 1717

Toronto

	Close	Prev.
Abitibi Price	13¼	12⅞
Agnico Eagle	6	6⅛
Air Canada	8⅝	8⅝
Alberta Energy	15⅝	15½
Am Barrick Res	21⅞	22⅛
BCE	40	39⅞
BCED	0.10	N.Q.
Bk Nova Scotia	13¼	13
BC Gas	14⅝	14⅜
BC Phone	18⅝	18⅞
BP Canada	15⅝	16
Bramalea	5½	5⅝
Brunswick	N.Q.	7⅛
CAE	4.45	4½
Campeau	0⅝	0.43
CIBC	28⅛	28⅛
Canadian Pacific	20⅝	20
Can Packers	11⅛	11⅜
Can Tire A	22⅛	22⅛
Cantor	N.Q.	21⅛
Cara	15⅜	N.Q.
CCL Ind B	8½	N.Q.
Cineplex	2.40	2.20
Cominco	21	21⅛
Conwest Expl A	N.Q.	—
Corona A	3⅛	3⅛
Denison Min B	0.48	0.46
Dickenson Min A	3.45	3.55
Dofasco	17⅛	17½
Dylex A	2.70	2.60
Echo Bay Mines	8⅝	9⅛
Equity Silver A	0.66	0⅝
FCA Intl	N.Q.	7
Fed Ind A	7½	7½
Fletcher Chall A	15	14½
FPI	5⅛	N.Q.
GoldCorp	4	N.Q.
Gulf Cda Res	8⅛	8½
Hees Intl	16⅛	16⅛
Hemlo Gld Mines	9	9⅛
Hollinger	11⅛	11⅛
Horsham	8½	8½
Hudson Bay	N.Q.	4.85
Imasco	27⅛	27⅛
Inco	32⅛	30⅛
Interhome	46⅛	46⅛
Jannock	12⅝	N.Q.
Labatt	22⅛	22⅛
Loblaw Co	18⅛	18⅛
Mackenzie	7⅛	7⅛
Magna Intl A	2.30	2.25
Maritime	18⅛	18⅛
Mark Res	7⅝	8
MacLean Hunt X	9⅝	9⅝
Molson A	35⅛	35⅛
Noma Ind A	4.45	4.40
Noranda	N.Q.	16⅛
Noranda Forest	7⅛	7⅝
Norcen Energy	23½	24
Nova Corp	8⅝	8⅝
Oshawa	34	33⅛
Pagurin A	5⅛	5½
Placer Dome	15⅛	16
Poco Petroleum	7⅛	7½
PWA Corp	8	7⅛
Quebec Sturgeon	N.Q.	0.45
Rayrock	7⅛	—
Renaissance	13⅜	13⅞
Rogers B	7⅛	7½
Rothmans	N.Q.	—
Royal Bank Can	24⅛	23⅛
Royal TrustCo	8⅝	8⅛
Sceptre Res	3.45	3½
Scott's Hosp	14⅛	14⅛
Seagram	102	101
Sears Can	10	10
Shell Can	37⅛	37⅛
Sherritt Gordon	6⅝	N.Q.
SHL Systemhse	4.45	4½
Southam	17⅛	17⅛
Spar Aerospace	12	11⅛
Stelco A	9⅛	9⅛
Teck B	19⅛	19⅛
Thomson News	16⅛	16½
Toronto Domn	18⅛	18⅛
Torstar B	24⅛	24
Transalta Util	12⅛	12⅛
TransCda Pipe	16⅛	16⅛
Trilon Finl A	11⅛	11⅛
Trimac	6⅛	6⅛
Trizec A	12⅛	12⅛
Turbo Resources	N.A.	—
Unicorp A	N.Q.	—
Woodward's Ltd	1.65	N.Q.

TSE 300 Index : 3342.80
Previous : 3326.00

Zurich

	Close	Prev.
Adia Intl	820	815
Alusuisse	946	928
Leu Holdings	1120	1090
Brown Boveri	4020	3960
Ciba Geigy	2460	2410
CS Holding	1625	1580
Elektrow	2570	2900
Fischer	1390	1255
Interdiscount	2800	2780
Jacobs Suchard	6100	6100
Jelmoli	1410	1410
Landis Gyr	1800	1000
Moevenpick	4220	4230
Nestle	7610	7560
Oerlikon-B	520	467
Pargesa Hld	1001	1000
Roche Holding B	3820	3775
Safra Republic	74	73
Sandoz	2040	2000
Schindler	4200	4150
Sulzer	346	337
Surveillance	810	770
Swissair	580	585
SBC	284	277
Swiss Reinsur	578	551
Swiss Volksbank	1150	1100
Union Bank	3020	2970
Winterthur	3840	3800
Zurich Ins	3810	3790

SBS Index : 535.00
Previous : 525.20

U.S. FUTURES

Via Associated Press Jan. 30

Grains

Season High	Season Low		Open	High	Low	Close	Chg.
WHEAT (CBT) 5,000 bu minimum-dollars per bushel							
3.85	2.44½	Mar	2.58¾	2.61	2.58¼	2.60¾	+.01¼
3.73	2.54¼	May	2.68¾	2.70¼	2.67¾	2.68¾	−.00¼
3.43	2.62	Jul	2.77	2.78¼	2.76	2.77¾	+.00½
3.26	2.69½	Sep	2.83½	2.84¾	2.83	2.83½	−.01
3.17	2.81½	Dec	2.95½	2.97¼	2.95¼	2.97	+.08¼
3.70¾	2.89¼	Mar				3.04¼	+.00¼
Est. Sales		Prev. Sales 8,540					
Prev. Day Open Int. 48,198 off 203							
WHEAT (KCBT) 5,000 bu minimum- dollars per bushel							
		Mar	2.61	2.63¾	2.61	2.63¾	+.01
		May	2.67½	2.70½	2.67½	2.69½	+.00½
		Jul	2.74	2.76½	2.74	2.75½	+.00½
		Sep	2.82	2.82	2.82	2.81¾	+.00½
		Dec	2.91½	2.91½	2.91½	2.91	+.00½
		Mar				2.94	+.00½
Est.Sales		Prv.Sales 230		Prev.Day Open Int 24,549			−241
CORN (CBT) 5,000 bu minimum- dollars per bushel							
3.02½	2.27¼	Mar	2.45	2.45½	2.43¼	2.43½	−.01½
3.06½	2.35	May	2.52¼	2.53½	2.51	2.51¼	−.02
3.08¼	2.41½	Jul	2.59	2.59¼	2.57¼	2.57½	−.01½
2.87½	2.40¼	Sep	2.59¼	2.60¼	2.58	2.58	−.01¼
2.75	2.42½	Dec	2.60¼	2.61½	2.59½	2.59¼	−.01¼
2.79	2.49	Mar	2.67	2.68	2.66	2.66½	−.01
2.72	2.58¼	May	2.71½	2.72	2.71	2.71	−.01
Est. Sales		Prev. Sales 39,412					
Prev. Day Open Int.220,843 up 369							
SOYBEANS (CBT) 5,000 bu minimum- dollars per bushel							
7.03	5.49½	Mar	5.61½	5.70¼	5.61½	5.63¾	−.00½
7.11	5.61	May	5.78	5.85	5.76	5.78¼	−.00¾
7.18	5.76	Jul	5.90	5.98	5.89¼	5.91¼	−.01
6.95	5.82	Aug	5.95	6.03	5.94½	5.96	
6.54	5.83½	Sep	5.99½	6.04½	5.98	5.98	
6.74	5.99½	Nov	6.04½	6.12	6.03½	6.06½	+.00¼
6.42½	6.02½	Jan	6.18	6.23	6.18	6.19	+.01
6.54	6.11¾	Mar	6.27½	6.33	6.27½	6.31½	+.00½
		May				6.41	+.01
Est. Sales		Prev. Sales 31,354					
Prev. Day Open Int.107,396 up 689							
SOYBEAN MEAL (CBT) 100 tons- dollars per ton							
212.00	160.60	Mar	161.50	164.20	161.20	162.10	+.10
208.00	165.50	May	166.20	169.10	166.20	166.90	
209.00	170.00	Jul	170.80	173.40	170.70	171.40	
195.50	173.00	Aug	173.00	175.00	172.80	173.30	−.10
192.50	173.00	Sep	175.50	176.50	174.20	174.20	+.20
189.00	172.50	Oct	176.50	176.80	175.50	175.50	
191.50	174.00	Dec	179.50	180.00	178.50	178.90	+.20
190.50	177.80	Jan	180.50	180.50	179.00	178.80	+.10
Est. Sales		Prev. Sales 11,468					
Prev. Day Open Int. 61,136 off 1,566							
SOYBEAN OIL (CBT) 60,000 lbs- dollars per 100 lbs.							
25.41	19.82	Mar	21.75	21.91	21.70	21.72	−.21
25.55	20.15	May	22.16	22.25	22.08	22.09	−.20
25.60	20.85	Jul	22.30	22.45	22.30	22.31	−.18
25.50	20.90	Aug	22.25	22.40	22.25	22.25	−.15
25.10	21.00	Sep	22.15	22.30	22.15	22.20	−.10
24.90	21.08	Oct	22.18	22.20	22.18	22.20	−.10
24.00	21.17	Dec	22.25	22.35	22.20	22.35	−.01
22.95	21.00	Jan				22.20	
22.95	20.10	Mar				22.20	
		May				22.20	
Est. Sales		Prev. Sales 11,828					
Prev. Day Open Int. 72,026 off 118							

Livestock

Season High	Season Low		Open	High	Low	Close	Chg.
CATTLE (CME) 40,000 lbs.- cents per lb.							
78.42	72.50	Feb	78.10	78.37	78.10	78.30	+.23
78.05	74.15	Apr	77.12	77.37	77.12	77.27	+.22
75.45	72.15	Jun	74.70	74.85	74.65	74.80	+.13
73.95	70.35	Aug	73.70	73.85	73.57	73.82	+.17
73.92	70.70	Oct	73.90	73.95	73.72	73.90	+.13
74.40	71.75	Dec	74.40	74.40	74.15	74.25	+.08
74.45	72.80	Feb	74.00	74.20	73.90	74.20	+.25
Est. Sales 11,067		Prev. Sales 16,486					
Prev. Day Open Int. 74,438 up 90							
FEEDER CATTLE (CME) 44,000 lbs.- cents per lb.							
90.60	79.75	Jan	90.55	90.80	90.55	90.75	+.28
87.50	80.90	Mar	87.05	87.30	86.90	87.27	+.27
85.70	81.20	Apr	85.40	85.57	85.27	85.52	+.25
84.45	80.20	May	84.15	84.30	83.85	84.05	+.15
84.25	80.20	Aug	83.85	84.05	83.85	84.00	+.10
83.60	79.75	Sep	83.57	83.65	83.57	83.75	+.18
83.65	80.20	Oct	83.50	83.52	83.35	83.55	+.03
83.70	81.20	Nov	83.45	83.65	83.45	83.70	+.05
Est. Sales 1,288		Prev. Sales 2,476					
Prev. Day Open Int. 13,136 up 361							
HOGS (CME) 30,000 lbs.- cents per lb.							
54.45	45.25	Feb	53.45	53.65	53.10	53.60	+.25
51.80	43.60	Apr	51.05	51.40	50.70	51.05	+.20
56.10	47.70	Jun	55.20	55.50	54.92	55.22	+.15
55.95	48.20	Jul	55.17	55.45	54.90	55.10	+.03
53.50	46.90	Aug	53.00	53.40	52.80	52.97	+.07
48.20	42.90	Oct	48.00	48.00	47.75	47.77	−.03
48.50	44.50	Dec	47.75	47.75	47.75	47.85	
48.25	44.50	Feb				48.00	
Est. Sales 8,570		Prev. Sales 10,967					
Prev. Day Open Int. 25,809 up 1,537							
PORK BELLIES (CME) 40,000 lbs.- cents per lb.							
73.80	48.07	Feb	48.45	49.25	47.85	48.67	−.03
72.45	49.20	Mar	47.90	48.75	47.40	48.07	−.18
73.12	49.30	May	48.00	48.75	47.50	48.30	
72.80	50.25	Jul	46.95	47.50	46.10	46.65	−.15
70.05	51.40	Aug	45.25	45.62	44.00	45.05	+.03
63.00	61.10	Feb	62.75	62.75	62.75	62.50	−.25
61.00	61.00	Mar				62.40	−.20
Est. Sales 6,057		Prev. Sales 5,893					
Prev. Day Open Int. 11,602 up 2							

Food

Season High	Season Low		Open	High	Low	Close	Chg.
COFFEE C (NYCSCE) 37,500 lbs.- cents per lb.							
116.75	82.55	Mar	82.75	83.90	82.20	82.95	−.20
123.00	85.10	May	86.00	86.30	84.85	85.60	−.15
111.50	87.60	Jul	88.50	88.80	87.40	88.30	−.10
113.50	90.00	Sep	90.75	91.15	89.90	90.50	−.20
116.00	93.00	Dec	93.70	93.70	93.00	93.35	−.25
107.50	95.50	Mar	96.50	96.50	95.75	96.10	+.05
103.00	100.00	May				96.50	−.50
Est. Sales		Prev. Sales 7,237					
Prev. Day Open Int. 44,412 off 301							
SUGARWORLD 11 (NYCSCE) 112,000 lbs.- cents per lb.							
15.22	8.67	Mar	8.70	8.72	8.45	8.49	
15.05	8.71	May	8.74	8.78	8.70	8.77	+.05
14.90	8.76	Jul	8.77	8.80	8.73	8.79	+.03
14.40	8.80	Oct	8.82	8.85	8.79	8.83	+.01
10.14	8.82	Mar	8.90	8.95	8.87	8.92	−.02
9.77	9.23	May	8.95	8.95	8.92	8.97	−.02
Est. Sales		Prev. Sales 16,838					
Prev. Day Open Int.127,523 off 290							
COCOA (NYCSCE) 10 metric tons-$ per ton							
1581	1007	Mar	1115	1134	1115	1122	−24
1572	1080	May	1157	1172	1156	1163	−21
1590	1060	Jul	1203	1211	1198	1202	−21
1515	1248	Sep	1228	1243	1230	1232	−23
1535	1297	Dec	1280	1285	1276	1279	−20
1538	1339	Mar				1319	−20
1385	1385	May				1350	−20
Est. Sales		Prev. Sales 3,325					
Prev. Day Open Int. 41,148 off 150							
ORANGE JUICE (NYCE) 15,000 lbs.- cents per lb.							
198.50	101.20	Mar	121.10	121.60	119.10	121.55	+.55
190.00	101.50	May	122.00	122.90	120.40	122.65	+.40
180.00	102.50	Jul	122.25	123.60	122.18	123.80	+.35
125.50	106.00	Sep	122.75	122.75	122.75	124.20	+.45
Est. Sales		Prev. Sales 973					
Prev. Day Open Int. 6,383 off 79							

Metals

Season High	Season Low		Open	High	Low	Close	Chg.
HI GRADE COPPER (COMEX) 25,000 lbs.- cents per lb.							
120.00	99.50	Feb	107.00	107.60	106.90	107.05	+1.20
122.60	72.30	Mar	104.80	107.10	105.95	106.70	+1.35
117.90	99.85	Apr	105.50	106.00	105.50	105.70	+.90
117.50	97.80	May	105.00	105.60	105.00	105.20	+.75
115.00	102.50	Jun				104.75	+.65
113.50	96.50	Jul				104.20	+.55
107.50	102.00	Aug				103.95	+.45
110.50	95.50	Sep				103.40	+.45
106.00	101.50	Oct				103.10	+.30
105.00	101.00	Nov				102.75	+.25
108.50	99.50	Dec	103.00	103.00	103.00	102.40	+.20
104.50	99.55	Jan				102.05	+.20
104.80	96.00	Mar				101.45	+.20
104.20	100.00	May	101.60	101.60	101.60	100.85	+.20
103.00	103.00	Jul				100.55	+.20
103.00	102.00	Sep				100.35	+.20
Est. Sales 5,600		Prev. Sales 5,507					
Prev. Day Open Int. 36,464 up 284							
SILVER (COMEX) 5,000 troy oz.- cents per troy oz.							
399.0	397.5	Feb	380.5	380.5	380.5	380.5	−4.2
665.0	376.0	Mar	382.0	383.0	380.0	382.7	−4.0
647.0	381.8	May	388.0	389.5	386.0	387.9	−3.9
667.5	386.5	Jul	391.9	394.5	391.0	392.9	−3.9
654.0	391.0	Sep	398.0	399.5	398.0	398.2	−4.0
623.5	398.8	Dec	405.0	407.5	405.0	405.4	−4.0
576.0	404.0	Jan				407.4	−4.0
613.0	409.0	Mar	414.0	414.0	414.0	413.4	−4.0
589.0	426.5	May				418.7	−3.9
557.0	420.0	Jul				423.9	−3.9
482.5	427.5	Sep				429.7	−4.0
Est. Sales 13,000		Prev. Sales 5,740					
Prev. Day Open Int. 91,365 off 809							
PLATINUM (NYME) 50 troy oz.- dollars per troy oz.							
554.50	382.50	Apr	380.50	385.00	380.00	382.50	−4.70
528.50	388.00	Jul	385.00	388.50	385.00	386.20	−4.80
513.00	391.00	Oct	389.00	391.50	389.00	389.60	−5.00
451.50	398.50	Jan	395.30	395.30	395.30	394.10	−5.00
438.50	438.50	Apr				400.10	−5.00
Est. Sales		Prev. Sales 2,563					
Prev. Day Open Int. 15,893 off 855							
PALLADIUM (NYME) 100 troy oz- dollars per oz							
142.00	80.55	Mar	82.00	83.75	81.50	83.15	−3.95
125.25	82.50	Jun	82.00	84.00	82.00	83.45	−3.80
119.40	84.80	Sep	82.50	85.00	82.50	83.85	−3.80
114.50	85.70	Dec				84.80	−3.80
135.75	135.75	Mar				85.55	−3.80
Est. Sales		Prev. Sales 69					
Prev. Day Open Int. 4,714 off 35							
GOLD (COMEX) 100 troy oz.- dollars per troy oz.							
457.50	362.80	Feb	366.80	369.30	365.20	368.90	−7.60
408.50	375.00	Mar	369.80	369.00	369.00	369.70	−8.00
460.00	366.20	Apr	370.00	371.70	367.80	371.30	−8.00
464.20	372.00	Jun	372.00	375.00	372.50	374.90	−8.00
468.00	375.00	Aug	378.00	378.00	375.00	378.20	−7.90
476.00	385.00	Oct				381.80	−7.90
483.00	384.00	Dec	385.00	385.00	382.00	385.40	−7.90
454.50	391.90	Feb	385.50	389.50	385.50	389.10	−7.90
446.00	394.00	Apr				392.60	−7.90
467.00	398.50	Jun				396.20	−7.90
426.50	412.50	Aug				400.20	−7.90
410.80	410.80	Oct				403.90	−7.90
		Dec				407.70	−7.90
Est. Sales 60,000		Prev. Sales 34,584					
Prev. Day Open Int. 95,746 up 530							

Financial

Season High	Season Low		Open	High	Low	Close	Chg.
US T. BILLS (IMM) $1 million-pts of 100 pct.							
94.20	91.66	Mar	93.95	94.01	93.95	93.97	+.01
94.33	91.52	Jun	94.15	94.19	94.14	94.16	+.01
94.22	91.60	Sep	94.00	94.03	94.00	94.01	
93.96	92.24	Dec				93.79	
93.82	93.47	Mar				93.78	
		Jun				93.72	
Est. Sales		Prev. Sales 7,417					
Prev. Day Open Int. 53,603 up 16							
5 YR. TREASURY (CBT) $100,000 prin- pts & 32nds of 100 pct							
101.210	97.000	Mar	101.045	101.085	101.000	101.050	+.005
101.120	99.010	Jun	100.260	100.290	100.260	100.270	
Est. Sales		Prev. Sales 7,023					
Prev. Day Open Int. 74,267 up 519							
10 YR. TREASURY (CBT) $100,000 prin- pts & 32nds of 100 pct							
100-6	92-23	Mar	99-13	99-18	99-6	99-9	−5
99-23	93-18	Jun	98-29	99-5	98-26	98-28	−6
98-19	97	Sep				98-15	−7
Est. Sales		Prev. Sales 14,369					
Prev. Day Open Int. 74,384 up 1,057							
US TREASURY BONDS (CBT) (8 pct-$100,000-pts & 32nds of 100 pct)							
99-12	77-21	Mar	96-13	96-21	96	96-5	−7
99-4	82-18	Jun	95-29	96-4	95-17	95-20	−9
99-5	85-29	Sep	95-2	95-18	95	95-3	−9
98-20	85-19	Dec	94-18	95-1	94-18	94-18	−10
98-13	85-14	Mar	94-17	94-17	94-2	94-2	−10
97-19	85-3	Jun	94-1	94-1	93-18	93-18	−10
93-7	87-14	Sep	93-10	93-10	93-3	93-3	−10
94-11	85-4	Dec	92-19	92-20	92-19	92-20	−10
Est. Sales		Prev. Sales 165,445					
Prev. Day Open Int.261,768 off 122							
MUNICIPAL BONDS (CBT) $1000x index-pts & 32nds of 100 pct							
92-20	85	Mar	91-14	91-24	91-12	91-17	+1
91-28	84-26	Jun	91-3	91-13	91-1	91-5	+1
91-8	84-7	Sep				90-29	+1
Est. Sales		Prev. Sales 500					
Prev. Day Open Int.							
EURODOLLARS (IMM) $1 million-pts of 100 pct.							
92.96	89.56	Mar	92.90	92.93	92.87	92.91	+.02
93.06	89.91	Jun	92.95	92.99	92.93	92.97	+.02
92.96	90.04	Sep	92.80	92.82	92.78	92.81	+.01
92.65	90.04	Dec	92.53	92.56	92.52	92.54	+.01
92.55	90.09	Mar	92.44	92.46	92.43	92.45	+.02
92.27	90.35	Jun	92.19	92.21	92.17	92.20	+.01
92.05	90.32	Sep	91.96	91.98	91.95	91.98	+.02
91.77	90.34	Dec	91.67	91.70	91.66	91.70	+.03
91.68	90.30	Mar	91.62	91.65	91.62	91.65	+.03
91.56	90.27	Jun	91.49	91.53	91.49	91.53	+.03
91.49	90.27	Sep	91.43	91.45	91.43	91.45	+.03
91.37	90.22	Dec	91.27	91.30	91.27	91.30	+.03
91.34	90.24	Mar	91.24	91.27	91.24	91.27	+.03
91.26	90.40	Jun	91.15	91.18	91.15	91.18	+.03
91.22	90.34	Sep	91.10	91.13	91.10	91.13	+.03
91.08	90.74	Dec	91.04	91.04	91.02	91.05	+.03
Est. Sales		Prev. Sales111,742					
Prev. Day Open Int.653,959 up 4,335							
BRITISH POUND (IMM) $ per pound- 1 point equals $0.0001							
1.9560	1.6610	Mar	1.9400	1.9456	1.9304	1.9438	+36
1.9350	1.7660	Jun	1.9110	1.9170	1.9030	1.9158	+36
1.9008	1.8300	Sep	1.8890	1.8890	1.8890	1.8934	+36
Est. Sales		Prev. Sales 14,917					
Prev. Day Open Int. 28,475 up 2,832							
CANADIAN DOLLAR (IMM) $ per dlr- 1 point equals $0.0001							
.8668	.7990	Mar	.8582	.8597	.8563	.8567	−4
.8590	.7993	Jun	.8525	.8533	.8507	.8508	−4
.8545	.7985	Sep				.8460	−4
.8488	.8175	Dec				.8413	−4
.8360	.8268	Mar				.8370	−3
Est. Sales		Prev. Sales 4,169					
Prev. Day Open Int. 26,452 off 496							
GERMAN MARK (IMM) $ per mark- 1 point equals $0.0001							
.6880	.5800	Mar	.6676	.6704	.6646	.6688	+25
.6777	.4233	Jun	.6638	.6668	.6610	.6652	+26
.6710	.6391	Sep				.6616	+29
.6595	.6340	Dec				.6584	+29
Est. Sales		Prev. Sales 32,194					
Prev. Day Open Int. 56,459 up 6,207							
JAPANESE YEN (IMM) $ per yen- 1 point equals $0.000001							
.008040	.006315	Mar	.007575	.007613	.007542	.007608	+48
.008010	.006645	Jun	.007534	.007598	.007534	.007591	+48
.007870	.007346	Sep	.007520	.007520	.007520	.007581	+48
		Dec				.007579	+48
Est. Sales		Prev. Sales 25,124					
Prev. Day Open Int. 45,911 up 310							
SWISS FRANC (IMM) $ per franc- 1 point equals $0.0001							
.8055	.6500	Mar	.7885	.7905	.7841	.7886	+12
.8030	.7065	Jun	.7872	.7872	.7830	.7868	+14
.8000	.6916	Sep				.7852	+16
.7990	.7708	Dec				.7842	+21
Est. Sales		Prev. Sales 23,372					
Prev. Day Open Int. 31,102 off 1,528							

Industrials

Season High	Season Low		Open	High	Low	Close	Chg.
COTTON 2 (NYCE) 50,000 lbs.- cents per lb.							
79.50	63.82	Mar	78.99	79.80	78.95	79.43	+.24
78.40	64.40	May	78.10	78.70	78.00	78.58	+.34
78.38	65.67	Jul	76.85	77.50	76.75	77.30	+.49
72.85	66.77	Oct	69.00	69.45	68.90	69.00	+.15
69.10	63.75	Dec	65.75	66.19	65.66	65.90	+.10
68.50	64.45	Mar	66.45	66.45	66.45	66.45	
67.20	65.10	May	66.30	66.40	66.30	66.35	+.05
		Jul				66.50	+.10
Est. Sales		Prev. Sales 7,498					
Prev. Day Open Int. 45,107 up 1,163							
HEATING OIL (NYME) 42,000 gal- cents per gal							
102.00	52.60	Feb	71.90	71.90	69.50	70.30	−.13
96.50	50.70	Mar	65.00	65.00	62.10	62.50	−1.15
92.00	49.30	Apr	55.70	59.90	57.00	57.00	−2.11
88.50	48.40	May	56.30	56.30	54.70	54.70	−.80
85.75	48.00	Jun	54.00	54.40	53.00	53.00	−.50
85.00	48.00	Jul	53.90	53.90	52.60	52.60	−.40
85.07	52.00	Aug	54.00	54.25	53.20	53.20	−.20
84.28	53.40	Sep	55.40	55.40	54.50	54.75	+.35
85.00	54.60	Oct	56.25	56.25	55.00	55.05	−.35
Est. Sales		Prev. Sales 25,796					
Prev. Day Open Int. 77,276 up 701							
CRUDE OIL (NYME) 1,000 bbl.- dollars per bbl.							
35.40	18.40	Mar	22.20	22.35	20.90	21.00	−.85
33.90	18.03	Apr	21.15	21.30	20.05	20.15	−.74
32.70	18.03	May	20.35	20.50	19.40	19.40	−.75
31.50	16.65	Jun	19.70	19.90	18.95	18.95	−.78
30.40	17.08	Jul	19.45	19.55	18.60	18.80	−.55
29.58	18.50	Aug	19.35	19.35	18.56	18.56	−.53
28.72	18.50	Sep	19.15	19.15	18.73	18.80	−.61
28.40	18.40	Oct	19.15	19.15	18.60	18.40	−.66
28.10	18.50	Nov	19.05	19.05	18.80	18.60	−.43
27.70	18.47	Dec	19.05	19.85	18.55	18.80	−.33
27.60	18.35	Jan	19.00	19.50	18.55	18.55	−.35
27.00	18.40	Feb	19.00	19.00	19.00	19.00	+.03
26.75	18.40	Mar	18.95	18.95	18.70	18.70	−.27
26.50	18.70	Apr	18.80	18.95	18.70	18.70	−.27
24.60	18.07	May	18.80	18.80	18.80	18.95	−.02
24.50	18.60	Jun	18.81	18.81	18.81	18.81	−.16
Est. Sales		Prev. Sales 55,505					
Prev. Day Open Int.261,081 up 1,604							
UNLEADED GASOLINE (NYME) 42,000 gal- cents per gal							
95.00	49.85	Feb	66.50	66.50	64.50	64.90	+.05
95.00	50.65	Mar	64.50	64.60	61.50	61.40	−2.06
98.25	54.90	Apr	66.80	66.80	64.25	64.50	−1.80
97.00	55.05	May	65.10	65.20	62.30	62.30	−2.05
92.50	54.90	Jun	63.50	63.50	60.75	60.75	−1.60
82.70	58.50	Jul	60.50	60.60	59.50	59.50	−.65
87.00	55.10	Sep	55.50	55.50	55.50	55.50	−.25
86.75	52.75	Oct	53.75	54.00	53.75	54.00	+.75
Est. Sales		Prev. Sales 15,711					
Prev. Day Open Int. 56,091 off 543							

Stock Indexes

Season High	Season Low		Open	High	Low	Close	Chg.
SP COMP. INDEX (CME) points and cents							
383.20	298.00	Mar	337.20	342.45	337.00	342.25	+5.55
383.35	300.90	Jun	340.00	345.40	340.00	345.20	+5.60
343.85	304.00	Sep				347.80	+5.80
337.25	321.75	Dec				350.30	+6.10
Est. Sales		Prev. Sales 31,491					
Prev. Day Open Int.153,703 off 84							
NYSE COMP. INDEX (NYFE) points and cents							
207.80	163.85	Mar	184.10	186.95	184.05	186.90	+3.05
192.25	165.85	Jun	185.40	188.00	185.40	188.30	+3.05
187.15	173.10	Sep	186.75	186.75	186.75	189.65	+3.05
185.25	175.50	Dec				191.00	+3.05
Est. Sales		Prev. Sales 4,353					
Prev. Day Open Int. 4,871 off 72							

Commodity Indexes

	Close	Previous
Moody's	1,028.00 f	1,026.90
Reuters	1,652.70	1,650.30
D.J. Futures	125.16	125.34
Com. Research	214.16	215.21

Moody's : base 100 : Dec. 31, 1931.
p - preliminary; f - final
Reuters : base 100 : Sep. 18, 1931.
Dow Jones : base 100 : Dec. 31, 1974.

Market Guide

CBT:	Chicago Board of Trade
CME:	Chicago Mercantile Exchange
IMM:	International Monetary Market Of Chicago Mercantile Exchange
NYCSCE:	New York Cocoa, Sugar, Coffee Exchange
NYCE:	New York Cotton Exchange
COMEX:	Commodity Exchange, New York
NYME:	New York Mercantile Exchange
KCBT:	Kansas City Board of Trade
NYFE:	New York Futures Exchange

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Slow East German Recovery

Reuters

BERLIN — The battered economy of former communist East Germany, struggling to adjust to the free market, will start recovering only in the last quarter of this year, a study by Berlin's IAW research institute said Wednesday.

"The dramatic collapse of east Germany's economy will continue for some time yet," said IAW, commenting on a poll it took in January of 80 eastern German companies.

Meanwhile, officials in the German Finance Ministry said in Bonn on Wednesday that a new bond for the German Unity Fund will be set in the first 10 days of February. Bond market dealers had earlier expected a new issue to be set this week or next week. The officials said they expect the Kreditabwicklungsfond, a fund set up to wind up liabilities of eastern Germany, to borrow up to five billion Deutsche marks ($3.37 billion) in 1991.

In its study, the IAW said eastern Germany's "economic turnaround will begin in the fourth quarter of 1991 at the earliest."

German politicians initially predicted that eastern Germany would experience an economic turnaround in early 1991.

But IAW said the politicians had underestimated the problems. Their main error, said an IAW economist, Dieter Lange, was to believe that the introduction of the mark into East Germany in July 1990 would immediately increase foreign investment.

But the Treuhandanstalt privatization agency had failed to attract enough west German and international investors. "Because privatization is going slowly, everything is going slowly," Mr. Lange said.

Eastern Germany relies on outside investment to re-employ its growing ranks of jobless people.

IAW said its predicament may worsen with a long Gulf war. Higher taxes and an uncertain investment climate may delay the economy's recovery until 1992.

The companies polled by IAW complained that the collapse of East European markets, which once accounted for more than 70 percent of East German trade, was their biggest worry.

Review Seen Of VW Deal With Skoda

The Associated Press

PRAGUE — Volkswagen AG's deal with AZNP Mlada Boleslav, the company that makes Skoda cars, may be revised following antitrust legislation passed by Czechoslovak parliament on Wednesday, the news agency CTK reported.

The German automaker reached an agreement with Skoda in December to pay 8.0 billion Deutsche marks ($5.4 billion) for a stake in what is considered Eastern Europe's best carmaker. Volkswagen also planned invest up to to 9.5 billion DM in Skoda's plants.

The parliament, by an overwhelming majority, approved a law that calls for the close monitoring of cartel and merger deals as well as of companies that have a monopoly or dominant position with a 30 percent market control or more.

A member of parliament, Karol Stome, was quoted as saying that Skoda "has a dominant position and can set its own prices." He called for a revision of the deal with Volkswagen.

Imrich Flassik, head of the Czechoslovak Ministry for Economic Competition, also recommended revision of the deal. No further details were available.

Skoda had an output of about 200,000 Favorits, its small family-style car, in 1990. But since retail prices were deregulated on Jan. 1, the Favorit now sells for 150,000 koruny ($5,360), far too expensive for most people here.

Sales of the Favorit, recently available only to those on waiting lists, have dropped by 50 percent over the last two months.

Czechoslovakia Reports Steep Retail Price Rises

New York Times Service

PRAGUE — In the month since price controls were lifted on most goods in Czechoslovakia, prices in retail stores have almost doubled, producing greater expressions of pain by consumers than the country's leaders had hoped would accompany the transition to a market economy.

Officials said the sharp rises resulted from the freeing of price controls before state monopolies on retail outlets were dismantled. The impact of this, they said, is that there has been no competition to cut prices as might have been expected had the big government chains been broken into smaller, privately owned units.

The process of breaking down the retail monopolies only began last weekend with the first auctions of state-owned stores. Officials said they expected more than half of all retail stores and part of the wholesale distribution network to be in private hands by summer.

But for now there is almost no competition, and the approximately 200 state "trading organizations," large commercial networks combining wholesale companies and retail stores, are being widely accused of price gouging.

"The prices they are charging have no relation to real costs," said Miroslav Zamecnik, spokesman for the Finance Ministry. "They are monopolies, and they behave accordingly."

The delay in selling off Czechoslovakia's state-owned businesses was delayed until last weekend by parliamentary indecision.

A law on privatizing large companies has yet to be adopted. But the government apparently felt it could not delay the promised price liberalization at the beginning of the year.

In a sampling of prices just completed, the Ministry of Trade and Tourism of the Czech region found that prices for retail goods excluding gasoline had increased by 80 to 100 percent since the previous survey, taken Sept. 30.

The ministry's survey found that beef rose 24 percent from $1.09 a pound to $1.35. Milk rose 41 percent, cheese 74 percent and bread 50 percent.

The price of a refrigerator, a hard-to-find item, rose 72 percent, from $206 to $355. The new cost of a refrigerator is slightly less that three times the average monthly wage of $125 a month.

Consumers have reacted by sharply decreasing purchases. Officials said purchases of food fell by 30 percent in volume this month and the purchase of textiles and clothing fell by half, also measured in volume.

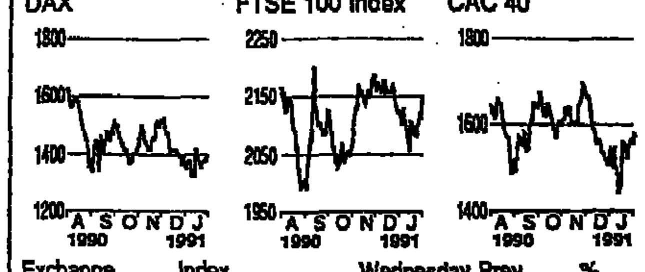
"I buy less, and I try to buy cheaper" said Hynek Krejci, a railroad construction engineer who is semiretired. "I've cut down on meat, and I put less sugar in my coffee. It's healthier, anyway."

Many Czechoslovaks appear to accept the price rises as an inevitable hardship on the road to a market economy. "It will be painful, but it's necessary," said Edita Vetrovska, a divorced mother of one child.

The burden will be especially hard because the government has limited wage increases to 8 percent this year. Raises above that will be penalized by extremely high punitive taxes.

Investor's Europe

Frankfurt DAX — London FTSE 100 Index — Paris CAC 40



Exchange	Index	Wednesday Close	Prev. Close	% Change
Amsterdam	CBS Trend	80.10	79.70	+0.50
Brussels	Stock Index	4850.22	4814.80	+0.74
Frankfurt	DAX	1400.73	1380.26	+1.48
Frankfurt	FAZ	598.25	594.53	+0.63
Helsinki	UNITAS	356.80	353.70	+0.88
London	Financial Times 30	1686.50	1656.80	+1.79
London	FTSE 100	2152.60	2113.80	+1.84
Madrid	General Index	232.22	227.45	+2.10
Milan	MIB	954.00	944.00	+1.06
Paris	CAC 40	1582.45	1554.49	+1.80
Stockholm	Affarsvarlden	942.09	943.27	-0.13
Vienna	Stock Index	474.24	470.67	+0.76
Zurich	SBS	533.00	525.20	+1.49

Sources: Reuters, AFP — International Herald Tribune

Usinor Earnings Fall 51% in Year

Compiled by Our Staff From Dispatches

PARIS — The state-owned steel group Usinor-Sacilor said it estimated 1990 net consolidated profit fell 51.3 percent, to 3.7 billion francs ($734 million), compared with 7.6 billion in 1989.

The group had already forecast a fall of more than 50 percent in earnings, saying that 1989 profit had been artificially inflated by inventory building. Sales last year slipped to 95 billion francs, from 97 billion a year earlier.

Usinor-Sacilor said 1990 cash flow amounted to 10.2 billion francs, down from 14.9 billion. Industrial investments totaled 5.6 billion francs, compared with 4.2 billion, and acquisitions cost 7.1 billion francs, up from 2.0 billion. The company employs 97,000 people worldwide, an increase of 1,000 in the last year. *(Reuters, AFP)*

Thyssen Reports Earnings Declined in First Quarter

Reuters

DUSSELDORF — Thyssen AG, the German steel and engineering group, said Wednesday that earnings in the first quarter of its 1990/91 year were "at a high level" but below the results of a year earlier, despite a 6 percent rise in sales.

The management board chairman, Dieter Spethmann, predicted "clearly positive results" for the full year ending Sept. 30, 1991.

But analysts said the company, which surprised the market in December by announcing that group net profit fell 16.4 percent to 690 million Deutsche marks ($465 million) in 1989/90, appears bound to report even lower earnings in the current year.

Thyssen shares rose 3 DM to 186. Dealers said lower earnings were expected and the stock's high yield was supporting the price.

Group third-party sales rose to 8.61 billion DM from 8.15 billion. Sales in its capital goods/manufacturing and trading and services divisions posted double-digit gains, while steel sales gained only because of the first-time consolidation of two subsidiaries.

Group orders on hand totalled 14 billion DM at the end of the first quarter, compared to 15 billion at the start of the 1990/91 year.

Mr. Spethmann said the group's two steel divisions, Thyssen Edelstahlwerke AG and Thyssen Stahl AG, face hard times in the wake of strong pressure on selling prices and declines in exports.

Rank Pretax Up 7% in Year

Compiled by Our Staff From Dispatches

LONDON — Rank Organization PLC reported Wednesday that its pretax profit rose 7.2 percent in its latest year, but the company said it was not optimistic about the current year because of the recession spreading out from Britain and the United States.

The results were slightly better than analysts expected, and shares in the conglomerate, whose businesses range from bingo to photocopying, rose to 601 pence ($11.84) in London, up 34 pence.

Pretax profit rose to £312.1 million in the year ended Oct. 31, 1990, from £291.1 million a year earlier.

The company said the rise largely reflected a 60 percent drop in interest payments.

Operating profit in Rank's main leisure business, which include travel, gaming and film production, fell 4 percent during the year.

Sales rose 22 percent to £1.33 billion from £1.09 billion. Rank boosted its final dividend by 4.7 percent to 20.75 pence a share. *(Reuters, AFP)*

Bankers Await Ruling On Share Structures

Reuters

LONDON — Banks struggling to raise capital are waiting on approval from the Bank for International Settlements for new preferred share structures, but they may not be able to sell the shares once a ruling is given, bankers said Wednesday.

One senior banker said that even if the BIS approved the new share structures, investors would no longer be interested in buying them. "Regulators are stifling bank efforts to boost capital," he said.

John Johnson, head of capital raising at National Westminster Bank PLC, said "the problem is waiting for the BIS to give its blessing" to the share variation.

By 1992, banks subject to BIS capital-adequacy guidelines must hold risk-weighted, capital-to-assets reserve ratios of at least 8 percent, half of which must be Tier 1, or core capital.

Under BIS guidelines on capital requirements, banks can raise Tier 1 capital either through retaining earnings that are added to shareholder funds, issuing equity or preferred shares.

In March, the banking supervisory committee of the BIS is expected to review proposals for a class of preferred shares that potential issuers hope will fall inside regulator requirements and be efficient for investors.

"The idea is to create a structure which generates a tax break for investors and satisfies BIS rules," Mr. Johnson said.

The biggest buyers of bank-issued securities over the last couple of years have been Japanese leasing companies, which borrow funds at one rate and reinvest them at a higher one.

But leasing company access to funds has been trimmed by the general squeeze on Japanese bank lending after falls last year in the Nikkei stock index eroded bank capital ratios.

Banks have cut back on lending to leasing companies because of capital pressures, and this has curbed the companies' ability to buy bank securities, which could boost capital.

This vicious circle has been exacerbated by lengthy time lapses as the BIS ponders various structures, bankers said.

But some analysts said they were suspicious of creative financing of bank capital.

"We have seen too much of this funny money," said Robin Munro-Davies, managing director of the rating agency IBCA Ltd. "BIS does not exist to give a living to investment bankers."

COMPANY RESULTS

Revenue and profits or losses, in millions, are in local currencies unless otherwise indicated.

United States

Borden

4th Quar.	1990	1989
Revenue	1,890.	1,970.
Net Inc.	102.30	99.90
Per Share	0.69	0.67
Year	**1990**	**1989**
Revenue	5,430.	5,700.
Net Inc.	363.60	(a)60.6
Per Share	2.46	—

a: loss. 1989 net includes charge of $404.378.

Cons. Freightways

4th Quar.	1990	1989
Revenue	1,090.	991.30
Net Loss	1.88	32.30
Year	**1990**	**1989**
Revenue	4,210.	3,760.
Net Inc.	(a)28.00	19.90
Per Share	—	0.33

a: loss. 1990 nets include charge of $11.3 million.

Control Data

4th Quar.	1990	1989
Revenue	429.70	523.70
Net Loss	23.80	196.40
Year	**1990**	**1989**
Revenue	1,690.	2,930.
Net Inc.	2.70	(a)680.4
Per Share	0.05	—

a: loss. 1990 quarter results include charge of $18.6 million.

Cooper Industries

4th Quar.	1990	1989
Revenue	1,670.	1,450.
Net Inc.	109.10	89.90
Per Share	0.87	0.78
Year	**1990**	**1989**
Revenue	6,220.	5,130.
Net Inc.	361.40	267.80
Per Share	2.81	2.51

Greyhound Dial

4th Quar.	1990	1989
Revenue	865.20	863.40
Net Inc.	28.30	28.00
Per Share	0.71	0.70
Year	**1990**	**1989**
Revenue	3,520.	3,540.
Oper. Net	116.40	108.70
Oper. Share	2.90	2.75

Lyondell Petrochem.

4th Quar.	1990	1989
Revenue	2,000.	1,330.
Net Inc.	73.00	64.80
Per Share	0.91	0.80
Year	**1990**	**1989**
Revenue	6,500.	5,360.
Net Inc.	356.00	374.00
Per Share	4.45	4.67

Year nets include gains of $10 million vs. $16 million.

Midlantic

4th Quar.	1990	1989
Net Inc.	(a)72.60	19.10
Per Share	—	0.47
Year	**1990**	**1989**
Net Inc.	(a)195.8	206.30
Per Share	—	5.27

a: loss.

Murphy Oil

4th Quar.	1990	1989
Revenue	463.40	455.50
Net Inc.	18.90	20.90
Per Share	0.56	0.61
Year	**1990**	**1989**
Revenue	2,140.	1,680.
Net Inc.	113.90	46.60
Per Share	3.36	1.37

1990 quarter net includes charge of $6.3 million. Quarter nets include gains of $1.7 million vs $3.9 million.

National Intergroup

3rd Quar.	1991	1990
Revenue	733.60	602.50
Net Inc.	2.654	30.70
Per Share	0.06	1.35
9 Months	**1991**	**1990**
Revenue	2,100.	1,740.
Net Inc.	(a)280.0	52.30
Per Share	—	2.21

a: loss.

Philadelphia Electric

4th Quar.	1990	1989
Revenue	910.10	842.30
Net Inc.	41.60	132.60
Per Share	0.10	0.51
Year	**1990**	**1989**
Revenue	3,710.	3,410.
Net Inc.	214.20	590.40
Per Share	0.58	2.36

Premark Int'l

4th Quar.	1990	1989
Revenue	764.00	675.20
Net Inc.	27.80	18.80
Per Share	0.91	0.54
Year	**1990**	**1989**
Revenue	2,720.	2,520.
Net Inc.	52.00	78.40
Per Share	1.64	2.24

1989 nets include charge of $19.4 million.

Scott Paper

4th Quar.	1990	1989
Revenue	1,430.	1,290.
Net Inc.	(a)51.50	71.60
Per Share	—	0.97
Year	**1990**	**1989**
Revenue	5,360.	5,070.
Net Inc.	148.00	375.50
Per Share	2.01	5.11

a: loss. 1990 quarter net includes charge of $1.36 per share. 1989 year results include gain of $1 per share.

Unisys

4th Quar.	1990	1989
Revenue	2,930.	2,970.
Net Inc.	(a)88.50	34.08
Per Share	—	0.05
Year	**1990**	**1989**
Revenue	10,110.	10,100.
Net Loss	436.70	639.30

a: loss.

USX

4th Quar.	1990	1989
Revenue	6,200.	4,900.
Net Inc.	267.00	244.00
Per Share	1.03	0.91
Year	**1990**	**1989**
Revenue	20,700.	18,700.
Net Inc.	818.00	965.00
Per Share	3.14	3.53

Warner-Lambert

4th Quar.	1990	1989
Revenue	1,250.	1,040.
Net Inc.	105.40	92.30
Year	**1990**	**1989**
Revenue	4,690.	4,200.
Net Inc.	484.90	412.70
Per Share	3.61	3.05

Weyerhauser

4th Quar.	1990	1989
Revenue	2,090.	2,570.
Net Inc.	58.80	(a)128.7
Per Share	0.30	—
Year	**1990**	**1989**
Revenue	9,020.	10,110.
Net Inc.	393.70	341.10
Per Share	1.87	1.56

a: loss. Per share results after preferred dividends. Nets include charges of $270.4 million vs $260.3 million.

NYSE

Wednesday's Closing

Tables include the nationwide prices up to the closing on Wall Street and do not reflect late trades elsewhere. *Via The Associated Press*

(Continued)

12 Month High	12 Month Low	Stock	Div	Yld	PE	Sls 100s	High	Low	4 P.M.	Ch'ge
3	1⅝	Titan		—	19	64	2⅝	2⅝	2⅝	—
9⅜	7⅝	Titan pf	1.00	12.7	—	1	7⅝	7⅝	7⅝	—
5⅛	4¼	ToddS n		—	—	236	5	5	5	—
25⅞	9¾	Tokhem	.56	4.4	—	6	12⅝	12⅝	12⅝	— ⅛
24½	21⅜	TolEd pf	2.51e	10.5	—	4	24⅛	23⅞	23⅞	+ ¼
27⅛	25¼	TolEd pf	2.81	10.5	—	20	27	26⅝	26¾	— ⅛
25¼	22⅝	TolEd pf	2.36	9.5	—	7	25	24⅝	25	— ¼
23½	21	TolEd pf	2.21	9.5	—	2	23¼	23¼	23¼	—
22¾	19⅞	TolE adpf	2.30e	10.5	—	7	22	21⅞	22	—
4	2¼	TollBro		—	12	370	3⅝	3⅜	3½	— ⅛
14	2½	Tonka		—	—	1135	4⅝	4¼	4½	—
50	31	TootRl	.230	.6	18	35	40⅝	39⅝	40⅝	+ ¾
51¼	38	Trchmk	1.40	2.8	11	424	50	49⅝	49⅝	— ⅛
84	70	Trch pf	7.73e	10.4	—	14	74	74	74	—
30	11	Toro	.48	3.1	18	318	15¾	14⅞	15¼	+ ¼
24⅝	14½	Tosco	.60	3.6	3	1276	17	16½	16⅝	+ ⅛
35½	27½	TotlSys	.28e	.9	38	53	30⅛	30	30	— ¼
35	19⅝	ToyRU s		—	25	8407	27⅝	26	27½	+ 1¼
4⅜	2	Tramel	.70e	25.5	—	14	2⅞	2⅞	2¾	+ ⅛
16⅛	4⅝	TWA pf	2.25	45.0	—	626	5⅞	4⅞	5	— ⅞
41	23¾	Transm	1.96	6.0	8	1288	32½	31½	32½	+ ⅞
24¼	20	TranInc	2.16	9.9	—	36	21⅞	21½	21⅞	—
29⅝	18⅞	TrnatH n	.85e	.2	—	161	27¾	27⅝	27⅝	+ ⅛
15⅝	12⅞	TrCda g	.72	4.7	—	597	14⅝	14⅜	14½	—
47	26½	Transco	1.36	4.6	19	x684	30	29⅝	29⅞	+ ¼
52¾	45⅝	Trnsc pf	4.75	10.1	—	65	47¼	47⅛	47¼	+ ¼
4	2¼	TranEx		—	—	13	3	2⅞	3	—
2⅛	⅛	Transcn		—	—	50	¼	¼	¼	—
11⅞	4⅞	TrnsTec		—	—	112	6¾	6⅛	6⅛	— ⅛
34⅞	11½	Travler	1.60	8.8	—	2634	18¼	17⅝	18⅛	+ ⅜
14½	6⅝	Tredgr n	.24	3.3	—	108	7¼	6⅞	7¼	+ ⅜
2	1	Tremnt n		—	—	342	1⅝	1½	1½	—
25⅞	20⅝	TriCon	.86e	3.9	—	316	22⅛	21⅝	22	+ ⅛
46¼	31¼	Tribune	.96	2.2	16	3165	43	42	43	+ ⅞
29⅛	15½	Triaty	.80	3.7	14	2032	22½	20⅝	21⅞	+ 1
29⅝	14⅝	Trinova	.48	3.2	14	1249	21½	20	21⅜	+ 1½
16⅛	4	TritEng		—	5	22	6¼	6⅛	6¼	—
15½	4½	TucsEP		—	—	1163	5⅝	5⅜	5⅝	+ ¼
9⅝	6½	Tultex	.36	4.7	14	944	7⅞	7⅝	7⅞	+ ⅛
14⅞	6⅞	Turk n	.07e	.7	—	221	9⅝	9¼	9⅝	+ ½
22¾	16	TwinDs	.90	5.6	16	3	16⅛	16⅛	16⅛	+ ⅛
45⅝	37⅛	TycoLb	.36	.8	14	2215	43½	42½	43¼	+ ¾
4	2¼	Tyler		—	18	2	3	3	3	+ ⅛
U-V										
160⅞	84¼	UAL Cp		—	13	4831	130	126½	129⅝	+ 4⅝
25	11⅞	UDC pf	3.75	19.7	—	34	19⅝	19	19	— ¼
27¼	5	UDC	2.30e	24.9	4	634	11	9⅛	9¼	— 1⅞
23⅞	11¾	UDC pf	3.62	20.7	—	171	17¾	16⅝	17½	— ¼
18⅞	14⅝	UGI s	1.18	7.2	15	182	16⅝	16	16⅝	+ ⅛
19½	6½	UJB Fn	.60	7.4	—	1354	8¼	8	8⅛	+ ⅛
41	25½	UJB pf	3.56e	14.2	—	52	25⅝d	24¼	25	— ½
5⅝	2⅞	UNCInc		—	—	278	3⅞	3⅝	3¾	+ ⅛
57⅛	32¾	UNUM	.80	1.6	10	795	49⅞	48½	49⅞	+ 1⅜
9⅜	2¼	URS		—	—	24	3⅝	3½	3⅝	+ ⅛
30⅛	7	USFG	1.00	12.3	3	5610	8½	8	8⅛	—
43⅝	26⅝	USFG pf	4.10	13.6	—	70	30¼	29⅝	30¼	+ ½
4⅞	¾	USG		—	25	2330	2⅛	2⅛	2¼	+ ⅛
23	14¾	USLICO	1.00	5.8	6	97	17¾	17⅛	17⅛	+ ⅛
39½	24⅝	UST	1.32	3.3	20	5553u	40⅛	38½	39¾	+ 1⅛
33½	27⅛	USX	1.40	4.8	10	6997	29	28	28⅞	+ ¾
9	1⅜	Ultmte		—	—	1556	2⅛	1⅞	2⅛	+ ½
21⅛	12¼	Unifi	.40	1.9	13	609u	21¼	20⅝	20⅝	— ⅛
24½	13½	UniFst	.12	.8	11	31	15¼	15¼	15¼	—
54¾	40½	Unilevr	1.60e	3.0	13	1882	53⅛	52⅝	52½	+ ½
91	72⅜	UniNV	2.62e	3.0	13	2405	87⅝	85¾	87⅛	+ 1⅛
39¾	30½	UnCmp	1.56	4.0	12	2259	39	38	38¾	+ ⅝
24⅞	14⅛	UCarb	1.00	5.4	8	5718	18⅝	18¼	18⅝	+ ¼
26⅝	16¾	UnionC		—	21	155	23½	22¾	23⅜	+ ⅝
30	24⅝	UnElec	2.16	7.3	10	3461	29⅝	29¼	29½	+ ⅛
40	37¼	UnEl pf	3.50	8.8	—	z20	39⅝	39¾	39¾	+ ⅝
47	42½	UnEl pf	4.00	8.8	—	z400	45¼	45¼	45¼	—
73⅞	66⅝	UnEl pf	6.40	9.0	—	z100	71¼	71¼	71¼	— ⅛
78⅝	61⅝	UnPac	2.50	3.4	12	791	73½	72½	73½	+ ⅞
11	6½	UPInfr	.48	5.6	7	264	8⅝	8⅜	8⅝	+ ⅛
25¼	12⅝	UnTex	.20	1.3	51	581	15⅜	15	15¼	+ ⅜
15⅞	1½	UnitedF		—	—	48	2¼	2⅛	2¼	— ⅛
17⅛	1¾	Unisys		—	—	26538	2⅝	2⅜	2⅜	— ⅛
38⅝	6	Unisy pf	3.75	55.6	—	2163	7⅛	6¾	6¾	— ⅜
5⅛	2⅛	Unit		—	—	281	2⅝	2⅜	2⅜	— ¼
21	12½	UAM	.46	2.6	17	205	17½	17¼	17⅜	+ ⅛
17⅛	12½	UDomR	1.24	7.8	35	207	15⅞	15¼	15⅞	+ ¾
32⅝	26⅝	UIllum	2.32	7.1	9	456u	33	31⅞	32⅝	+ 1⅛
24½	21⅛	UIllu pr	2.20	9.6	—	z50	23	23	23	— ½
10⅜	7¼	UnitInd	.64	7.0	10	325	9¼	8⅞	9⅛	+ ⅛
19¼	3⅝	UnitInn		4.2	—	51	5¼	4⅞	5¼	+ ⅜
19½	13½	UtdInv	.30	1.9	18	213	16½	16⅛	16⅛	— ⅛
10⅝	8¼	UKing	.73e	7.9	—	163	9⅜	9¼	9¼	+ ⅛
1½	¼	UPkMn		—	—	40	⅞	⅞	⅞	+ ⅛
33¾	12⅝	UsairG		—	—	5784	21	19	20⅞	+ 1⅝
1⅛	⅛	USHom		—	—	3989	⅜	⅜	⅜	+ ⅛
26¼	7	USShoe	.52	4.8	9	2282	11	10½	10⅞	+ ⅛
84½	25⅞	US Srg s	.50	.6	48	2055u	84⅝	83⅝	84¼	+ ¼
40½	32⅝	USWst s	2.00	5.3	12	4680	38	37	37⅞	+ ⅝
62½	40⅛	UnTech	1.80	3.8	8	3357	48	47	47⅞	+ ⅝
46⅞	28⅝	Unitel s	1.00	4.1	15	14516	24½	23⅝	24½	+ ⅞
15⅞	9⅞	UWR	.88	6.6	12	133	13¼	13⅛	13¼	+ ⅛
5⅞	3	Unitrde		—	47	196	3⅝	3½	3⅝	+ ⅛
16⅝	9⅝	Univar	.30	2.6	9	116	11⅞	10⅝	11⅝	+ ¾
34¼	22	UnvlCp	1.52	5.7	15	143	27	26½	26⅝	— ⅛
34	23½	UnvFd	.76	2.2	17	662	34	33⅛	34	+ ⅞
13½	10½	UnvHR	1.48	12.3	9	52	12	11⅞	12	—
6¼	1⅜	UMatch		—	—	39	2	1⅞	2	—
7⅞	1	UnMd s		—	—	57	2¼	2	2¼	+ ⅜
6	1⅞	UMd pfB		—	—	17	3⅝	3⅜	3⅜	— ⅛
34½	22⅝	Unocal	.70	2.9	14	15328	23⅞	23¼	23⅝	+ ¼
19⅝	10½	UnocEx	.40	3.3	16	60	12	11⅝	12	+ ⅛
44⅞	33	Upjohn	1.16	3.1	20	4624	38	37½	37¾	— ⅛
23	2⅞	Urcarc s		—	6	1810	3⅝	3	3⅝	+ ½
42½	23¼	USLIFE	1.48	4.7	8	260	31¾	30¾	31⅝	+ ⅝
9⅞	7⅛	UslifeF	.92a	11.7	—	17	7⅞	7⅞	7⅞	— ⅛
21⅝	17¾	UtiliCo	1.52	7.3	11	1706	21	20⅝	20⅞	+ ⅛
22¼	18	UtilCo pr	1.77	8.3	—	5	21¼	21½	21¼	+ ⅜
32	11⅝	VF Cp	1.00	4.4	10	457	22⅝	22¼	22½	— ⅛
5½	⅛	VMG n		—	—	279	11/16	½	11/16	+ 1/16
17⅛	4⅝	Valhi	.20	4.3	7	365	4⅝	4½	4⅝	+ ⅛
28¼	13½	Valero	.28	1.7	7	1114	17⅝	16⅝	16⅞	— ¾
28⅞	26⅝	Valer pf	3.44	11.9	—	26u	29⅛	28¾	29	+ ⅜
17⅞	12⅝	ValNG	2.58	15.5	6	421	16¼	15⅞	16⅛	+ ⅛
10⅝	7¼	VanDrn	.60	5.5	9	99	11	10⅝	11	+ ⅛
9¾	8⅝	VKmpM	.72	7.4	—	314	9¾	9⅝	9¾	—
8	3⅞	VKMT	.84	19.2	—	128	4⅝	4¼	4⅜	—
12½	10¼	VKMI n	.87	7.6	—	3	11½	11⅜	11½	+ ⅛
9	4⅝	VKML	.48	9.4	20	205	5⅜	5	5⅛	+ ⅛
25⅞	23¼	VKmL pf	2.37	9.5	—	14	25	24⅞	24⅞	— ⅛
13⅛	5⅝	Varco		—	36	497	9⅛	8⅞	9	— ⅛
38⅝	26⅝	Varian	.26	.7	43	1356u	39	38	38¾	+ ¼
3½	1⅜	Varity		—	2	9815	2⅝	1⅞	2⅛	+ ⅛
23½	14⅛	Varity pf	1.30	8.3	—	488	15¾	15⅜	15⅝	+ ⅜
12	4	VenSt n	.14e	1.2	—	651	11¾	11½	11½	— ⅛
13⅞	12⅝	VestSe	1.20a	8.9	11	34	13⅝	13⅝	13⅝	+ ⅛
10⅝	6⅜	VlnPt n		—	—	42	6⅜d	6¼	6⅜	—
88⅝	81	VaEP pf	7.72	8.8	—	z70	88	88	88	— ⅛
85	78⅝	VaEP pf	7.45	8.8	—	z20	85	85	85	—
23⅛	10	Vishay	1.03t	6.7	9	541	15⅝	14⅞	15⅝	+ ⅝
54⅞	16⅞	VistoCh	1.80	3.4	15	929	53⅝	52⅞	53⅝	+ ½
27⅞	15¼	Vivra s		—	—	376u	28⅝	26⅛	28⅝	+ 2¼
23⅞	14¾	Vons		—	25	1328	23¼	22⅞	22⅞	— ⅛
46⅞	29⅝	VulcM	1.20	3.6	11	1474	33⅞	32	33⅝	+ 1⅝
W										
23¼	18¼	WICOR	1.44	7.0	20	52	20⅝	20½	20⅝	—
10⅞	3¼	WMS		—	—	217	5⅜	5¼	5⅜	+ ½
25¼	20	WPL H s	1.80	7.5	18	138	24¼	23⅞	24	— ¼
11⅞	4⅝	Waban		—	15	2234	11½	11	11⅜	+ ⅛
29	18⅛	Wackht	.68	2.5	17	63	27½	27⅛	27⅛	—
16⅞	6½	Wainco n		—	14	413	8½	7⅞	8	— ⅜
10⅝	5	Walnoc		—	—	369	6¼	5⅞	6	— ¼
36¾	20⅛	WalMt s	.14	.4	31	15321	32¾	32	32⅝	+ ⅜
57½	39⅞	Walgrn	.92	1.6	20	1535	57½	56½	56¾	+ ½
29⅝	19⅞	Walgr wi		—	—	84u	28⅞	28¼	28½	+ ⅛
28⅝	15⅞	WalCS s	.50	2.5	11	2479	20⅝	19⅞	20⅛	—
5⅜	2½	WrnCpt		—	—	73	3⅜	3⅜	3⅜	—
73⅞	49⅞	WarnL s	1.76	2.5	20	5638	71	68¾	70½	+ 1⅛
30⅞	26½	WashGs	2.04	7.3	11	175	28	27⅞	28	—
25⅜	9⅞	WshNat	1.08	9.2	49	148	11¾	11⅜	11⅝	+ ¼
278	167	WshPst	4.20	2.0	15	42	212½	209	212	+ 3
30½	26⅞	WshWt	2.48	8.6	10	279	29⅛	29	29	— ⅛
45½	28⅝	Waste	.36	.9	29	17468	39⅝	38½	39⅜	+ 1
18¾	10⅝	WatkJn	.48	3.1	9	240	15⅝	15¼	15⅝	+ ⅜
8⅝	3	Waxmn	.12	3.0	6	29	4	3¾	4	+ ⅜
11⅛	4½	WebbD	.15e	2.4	9	150	6¼	6	6⅛	+ ⅛
2½	¼	Wedgtn		—	—	4	⅝	⅝	⅝	—
31	22½	WeinRl	1.88	6.6	30	345	28½	27½	28⅜	+ ⅞
11¼	6⅞	Weirt	.44	9.5	7	43	6⅝	6⅝	6¾	+ ¼
34⅞	24¼	WeisMk	.44	2.2	15	363	29½	29	29¼	— ½
34	12¾	Wellmn	.12	.6	11	1305	21¾	21	21⅝	+ ⅜
86	41¼	WellsF	4.00	6.9	4	2651	58⅜	57⅜	57⅞	+ ¼
34⅜	28	WelF pf	3.12e	9.6	—	22	32½	32½	32½	+ ¼
35¾	29¾	WelF pf	3.45e	10.5	—	6	33	33	33	—
7½	3⅞	Wendys	.24	3.6	18	2571	6⅞	6⅝	6⅝	+ ⅛
20	10½	West	.40	3.3	13	257	12¼	11⅝	12⅛	+ ⅛
52	49½	WPen pf	4.50	8.7	—	z140	51½	50½	51½	+ ½
46⅞	19¼	WPtPe		—	18	19	23½	22⅞	23½	+ ⅝
19⅝	16⅛	WstctE g	.80	—	17	42	17	16⅞	17	+ ⅜
21¼	12¾	WCNA		—	72	162	13⅝	13¼	13⅝	—
16⅞	11	WIGs pf	1.80	16.6	—	18	11¼d	10⅞	10⅞	— ⅛
14¼	8⅝	WstGR n		—	—	757	9¼	9	9¼	+ ⅛
1½	¼	WUnion		—	—	546	9/16	½	½	—
19¼	6	WUn pfA		—	—	8	7	6½	7	+ ¼
12¼	1⅞	WUn pfB		—	—	9	3	3	3	—
39⅜	22	WstgE s	1.40	5.0	8	8631	27⅞	27¼	27¾	+ ½
23¼	11½	Wstpc	2.03e	13.0	—	67	15⅝	15½	15⅝	+ ⅛
26⅝	17	Wstpc pf	2.95e	12.7	—	34	23½	23¼	23¼	— ⅛
28⅞	22	Wstvco	1.05	3.8	10	3359	28¼	27	28	+ ⅞
28¾	17⅞	Weyerh	1.20	5.2	10	9085	23¼	22⅝	23¼	— ⅛
43½	30½	WhlTch		—	39	651u	45	43¼	44½	+ 1⅜
8½	7¼	WhlPit wi		—	—	23	8¼	8	8	— ⅛
3⅜	2½	WhlPit wt		—	—	9	3½	3½	3½	—
33⅞	17½	Whrlpl	1.10	4.7	9	919	23⅝	23⅛	23⅝	+ ¼
18¾	8½	Whitehl		—	285	78	14½	13⅞	14¼	+ ⅜
28⅞	17	Whitmn	1.06	5.2	—	1806	20⅞	19¾	20½	+ ⅜
9/16	1/16	vlWIfrd		—	—	10	⅛	⅛	⅛	—
13⅝	5½	WilcxG	.10	1.3	8	2582	7⅝	7	7½	+ ⅜
35⅝	23⅛	William	1.40	5.4	26	2581	27¼	25⅝	26	— ⅜
55½	40¼	Willm pf	3.87	8.8	—	12	44⅝	44	44	+ ½
26⅜	17⅞	WilCor n	.43e	1.7	—	306	26	25½	26	+ 1⅛
7	4	WilshrO	.111	2.3	79	33	4⅝	4⅝	4⅝	+ ⅛
8⅝	2¼	Windmr		—	—	234	2½	2¼	2⅜	—
38⅝	28¾	WinDx s	1.08	3.0	18	280	36⅝	35⅞	36⅛	+ ¼
5⅝	2⅛	Winnbg		—	—	128	3⅝	3½	3⅝	—
33½	26⅝	WiscEn	1.76	5.7	11	985	31½	31	31⅛	— ⅜
24⅝	19¾	WiscPS	1.46	7.3	11	167	22⅞	22⅝	22⅞	—
36⅜	21¾	Witco	1.72	5.0	25	1119	34⅞	33⅝	34¼	+ ⅜
12⅝	6⅞	WolvrW	.16	1.8	—	361	8⅝	8⅝	8⅝	—
36⅝	22⅞	Wolwth s	1.04	3.4	12	3675	31	29⅞	30⅝	+ 1
12⅞	2⅞	WrldCp		—	—	99	4⅝	4⅞	4⅝	+ ⅛
18⅝	11½	WrldVl	1.94e	15.4	—	39	12⅝	12¼	12⅝	+ ¼
59¾	43⅞	Wrigley	1.00a	1.8	19	725	55⅝	54	55⅝	+ 1⅜
15⅝	8¾	WyleLb	.28	2.1	11	119	13⅜	13⅛	13¼	—
24	13¾	Wynns	.60	3.6	10	18	16¾	16¼	16⅝	+ ⅜
X-Y-Z										
56¾	29	Xerox	3.00	6.9	8	5113	45	43¼	43⅝	— ⅜
48¼	42½	Xerox pf	4.12	9.0	—	140	46	45⅞	45¾	—
32⅝	13	XTRA	.72	3.8	—	107	19	18⅝	19	+ ⅛
25	12½	XTRA pf	1.94	11.1	—	68	17⅞	17½	17½	+ ⅛
3⅝	⅝	Zapata		—	—	316	1	15/16	1	—
7⅝	3	Zemex		—	—	48	4½	4⅜	4½	+ ¼
11⅝	4	ZenithE		—	—	889	7⅞	6⅞	7	— ⅜
18½	9⅞	ZenNtl	1.00	8.3	8	57	12¼	12¼	12¼	—
7⅞	4⅜	Zenix	.84	18.7	—	112	4⅝	4½	4½	—
15½	9⅞	Zero	.40	3.4	13	193	11⅝	11½	11⅝	+ ¼
51⅛	29½	Zurmin	.88	2.6	14	744	34⅝	33	33⅞	+ ⅞
12	10⅛	Zweig	1.07e	9.3	—	541	11⅝	11⅛	11½	—
10	7⅞	ZweigTl	.96	10.4	—	1353	9¼	9⅛	9¼	+ ⅛

REPUBLIC NEW YORK CORPORATION

Consolidated Statements of Condition

(Dollars in Thousands)

Assets	December 31, 1990	December 31, 1989
Cash and due from banks	$ 424,899	$ 397,897
Interest bearing deposits with banks	7,129,174	8,175,016
Precious metals	458,896	412,128
Investment securities	7,642,680	5,638,065
Trading account assets	98,148	323,448
Federal funds sold and securities purchased under resale agreements	1,081,719	404,410
Loans, net of unearned income	9,004,859	6,580,389
Allowance for possible loan losses	(236,634)	(287,501)
Loans (net)	8,768,225	6,292,888
Customers' liability on acceptances	2,378,658	2,162,547
Premises and equipment	391,837	377,653
Accrued interest receivable	334,095	372,130
Investment in affiliate	505,918	484,716
Other assets	382,752	426,095
Total assets	$29,597,001	$25,466,993

Liabilities and Stockholders' Equity	December 31, 1990	December 31, 1989
Non-interest bearing deposits:		
In domestic offices	$ 959,906	$ 890,473
In foreign offices	151,409	100,575
Interest bearing deposits:		
In domestic offices	9,572,343	7,400,930
In foreign offices	9,303,156	8,132,824
Total deposits	19,986,814	16,524,802
Short-term borrowings	1,963,018	1,510,420
Acceptances outstanding	2,390,400	2,174,693
Accrued interest payable	224,404	285,686
Due to factored clients	499,454	403,760
Other liabilities	433,748	674,383
Long-term debt, excluding perpetual capital notes	2,266,213	2,371,280
Perpetual capital notes – constituting primary capital	150,000	150,000
Stockholders' Equity:		
Cumulative preferred stock, no par value	309,425	309,425
Common stock, $5 par value 50,000,000 shares authorized; 34,593,476 shares issued in 1990 and 30,221,493 in 1989	172,967	151,107
Surplus	539,452	380,701
Retained earnings	670,342	530,736
Common stock in treasury, at cost 188,006 shares in 1990	(9,236)	–
Total stockholders' equity	1,682,950	1,371,969
Total liabilities and stockholders' equity	$29,597,001	$25,466,993

The portion of the investment in precious metals not hedged by forward sales was $4.3 million and $15.3 million in 1990 and 1989, respectively.

Summary of Results (in Thousands Except Per Share Data)	Twelve Months Ended December 31, 1990	1989*	Three Months Ended December 31, 1990	1989
Net income	$ 201,220	$ 23,997	$ 49,452	$ 93,806
Cash dividends declared on common stock	$ 44,246	$ 38,631	$ 11,424	$ 9,671
Per common share:				
Net income	$ 5.44	$ .04	$ 1.27	$ 2.92
Cash dividends declared	$ 1.32	$ 1.28	$ .33	$ .32
Average common shares outstanding	33,150	30,149	34,618	30,223

*Results reflect a provision for loan losses of $200 million for developing countries' debt obligations.

World Headquarters: Fifth Avenue at 40th Street, New York, New York 10018
Member Federal Reserve System/Member Federal Deposit Insurance Corporation

BEVERLY HILLS • CAYMAN ISLANDS • LOS ANGELES • MEXICO CITY • MIAMI • MONTREAL • NASSAU • NEW YORK
BUENOS AIRES • CARACAS • MONTEVIDEO • PUNTA DEL ESTE • SANTIAGO • SAO PAULO • BEIRUT • GENEVA • GIBRALTAR • GUERNSEY
LONDON • LUGANO • LUXEMBOURG • MILAN • MONTE CARLO • PARIS • ZURICH • HONG KONG • JAKARTA • SINGAPORE • TAIPEI • TOKYO

SAFRA REPUBLIC HOLDINGS SA

LUXEMBOURG

Consolidated Statements of Condition

(In Thousands of US$ Except Per Share Data)

Assets	December 31, 1990	December 31, 1989
Cash and due from banks	$ 76,825	$ 102,601
Interest bearing deposits with banks	2,996,004	2,564,434
Precious metals	2,056	769
Investment securities	3,598,156	1,812,588
Trading account securities	10,125	17,174
Loans, net of unearned income	1,276,205	1,033,071
Allowance for possible loan losses	(9,094)	(6,403)
Loans (net)	1,267,111	1,026,668
Premises and equipment	52,315	50,596
Accrued interest receivable	124,161	110,238
Other assets	37,980	33,581
Total assets	$8,164,733	$5,718,649

Liabilities and Shareholders' Equity	December 31, 1990	December 31, 1989
Client deposits	$5,675,007	$3,282,081
Bank deposits	924,585	1,086,718
Total deposits	6,599,592	4,368,799
Short-term borrowings	333,442	193,398
Accrued interest payable	93,102	58,771
Other liabilities	28,331	28,102
Long term debt	70,018	71,111
Shareholders' Equity:		
Common stock	89,155	89,155
Surplus	819,588	819,578
Retained earnings	132,901	89,735
Less shares held in treasury	(1,396)	–
Total shareholders' equity	1,040,248	998,468
Total liabilities and shareholders' equity	$8,164,733	$5,718,649

Summary of Results	Twelve Months Ended December 31, 1990	1989	Three Months Ended December 31, 1990	1989
Net Income	71,447	62,947	19,014	16,805
Net Income per share	US$4.01	US$ 3.53	US$ 1.07	US$ 0.94
Average shares outstanding (in thousands)	17,824	17,831	17,804	17,831

Safra Republic Holdings S.A.
32, Boulevard Royal – 2449 Luxembourg – Tel. 4793 31 310 – Fax 4793 31 226 – Telex 3320 RNBNY LU

Banking Subsidiaries
Republic National Bank of New York (Suisse) S.A.: Head office in Geneva and branches in Lugano, Zurich and Guernsey
Republic National Bank of New York (France) S.A.: Head office and 3 branches in Paris and 1 branch in Monaco
Republic National Bank of New York (Luxembourg) S.A.: Head office in Luxembourg
Republic National Bank of New York (Guernsey) Ltd.: Head office in St. Peter Port
Republic National Bank of New York (Gibraltar) Ltd.: Head office in Gibraltar

Affiliate
Republic National Bank of New York in New York and 28 business centers around the world

REPUBLIC NEW YORK CORPORATION OWNS 48.6% OF SAFRA REPUBLIC HOLDINGS SA, WHICH IS ACCOUNTED FOR BY THE EQUITY METHOD.
ON A COMBINED BASIS TOTAL CAPITAL, INCLUDING MINORITY INTEREST AND SUBORDINATED DEBT, EXCEEDS US$3.0 BILLION.

NASDAQ

Wednesday's Prices

NASDAQ prices as of 4 p.m. New York time. This list compiled by the AP, consists of the 1,000 most traded securities in terms of dollar value. It is updated twice a year.

AMEX

Wednesday's Closing

Tables include the nationwide prices up to the closing on Wall Street and do not reflect late trades elsewhere. *Via The Associated Press*

Sales figures are unofficial. Yearly highs and lows reflect the previous 52 weeks plus the current week, but not the latest trading day. Where a split or stock dividend amounting to 25 percent or more has been paid, the year's high-low range and dividend are shown for the new stock only. Unless otherwise noted, rates of dividends are annual disbursements based on the latest declaration.

a — dividend also extra(s).
b — annual rate of dividend plus stock dividend.
c — liquidating dividend.
cld — called.
d — new yearly low.
e — dividend declared or paid in preceding 12 months.
g — dividend in Canadian funds, subject to 15% non-residence tax.
i — dividend declared after split-up or stock dividend.
j — dividend paid this year, omitted, deferred, or no action taken at latest dividend meeting.
k — dividend declared or paid this year, an accumulative issue with dividends in arrears.
n — new issue in the past 52 weeks. The high-low range begins with the start of trading.
nd — next day delivery.
P/E — price-earnings ratio.
r — dividend declared or paid in preceding 12 months, plus stock dividend.
s — stock split. Dividend begins with date of split.
sls — sales.
t — dividend paid in stock in preceding 12 months, estimated cash value on ex-dividend or ex-distribution date.
u — new yearly high.
v — trading halted.
vi — in bankruptcy or receivership or being reorganized under the Bankruptcy Act, or securities assumed by such companies.
wd — when distributed.
wi — when issued.
ww — with warrants.
x — ex-dividend or ex-rights.
xdis — ex-distribution.
xw — without warrants.
y — ex-dividend and sales in full.
yld — yield.
z — sales in full.

مكبرا من الاصل

ASIA / PACIFIC

Korea Faces a Setback

Bankers Warn On Effects of War

Reuters

SEOUL — South Korea's central bank forecast on Wednesday a widening trade deficit, slower growth and higher inflation if the Gulf war lasts more than three months and oil prices rise to $35 a barrel.

"Since South Korea imports about 70 percent of its oil demand from the Gulf region, the Gulf war, if it becomes a lengthy one, will deal a hard blow to our economy," said one bank official, who asked not to be identified.

"That scenario is the worst case," the official said. "We just hope the war might stop as soon as possible."

The central bank said in a report that South Korea, which imports all of its oil, could face a trade deficit, calculated on a balance-of-payments basis, of $7.5 billion in 1991, up sharply from the $2.5 billion originally forecast.

The Bank of Korea estimated the 1990 trade deficit, calculated on the same basis, was $1.3 billion.

Given the same conditions, the bank said gross national product would only grow by 6.1 percent this year, down 1.2 percentage points from the bank's original forecast. The central bank estimated GNP grew 8.8 percent in 1990.

The bank said the worst-case scenario had consumer prices rising 10.8 percent in 1991 against an originally forecast 9.5 percent, while wholesale prices were seen rising 11.8 percent against an originally forecast 8.5 percent. It projected a 9.4 percent rise in consumer prices and a 7.4 percent rise in wholesale prices in 1990.

Separately Wednesday, officials in South Korea's trade and industry ministry said the country aims to export $19.6 billion-worth of electronic and electric goods this year, up 10 percent from an estimated $17.8 billion last year.

"To accomplish the goal, we'll develop high value-added technologies," said an official.

Japan Skirts Arab Boycott on Israel

By Karl Schoenberger

Los Angeles Times Service

TOKYO — As tribute to the Middle East countries that supply 70 percent of Japan's oil needs, most Japanese companies have meekly acquiesced to the Arab boycott on companies that trade with Israel.

But Japan's rules of engagement in the Middle East are beginning to change, recent developments suggest.

Two-way trade between Japan and Israel has tripled in five years. The total remains relatively small — about $1.3 billion last year — but it appears headed for continued expansion while trade with Arab nations is contracting. Already, Japan is Israel's third-largest trading partner.

Both the government and private sector in Japan have been finding ways to circumvent the Arab boycott that traditionally cast a chill on ties with Israel. At the same time, Japan is groping timidly for a political role more appropriate to its status as a financial superpower.

"In the past, there was always an attempt to be as vague as possible, not to commit to either side in Middle East conflicts," said Manabu Shimizu, research fellow at Tokyo's Institute of Developing Economies. "But with the present crisis, we had to take sides."

Prime Minister Toshiki Kaifu's administration was befuddled and hesitant in responding to Iraq's invasion of Kuwait. Mr. Kaifu made what was by Japanese standards a bold attempt to twist the popular interpretation of the postwar constitution, which renounces the sovereign right to wage war, and dispatch Japanese troops to the Gulf for noncombat duty. But strident pacifist opposition forced him to withdraw his plan.

Still, Japan initially committed $2 billion in support for the multinational forces, and Mr. Kaifu is now pledging an additional $9 billion and planning to send military transport planes to ferry refugees out of Jordan.

Despite the protective cover of its "peace constitution," Japan on Jan. 21 found itself accused of a "hostile act" by Iraq's ambassador to Tokyo, Rashid Rifai. He said Japan will be responsible "for every drop of blood shed in Iraq."

> **'If the Japanese want to buy or sell, they'll do business with Israel.'**
>
> **Max Livnat, economic minister in the Israeli Embassy in Tokyo.**

Japan's ability to project an image as a reliable U.S. ally in the Gulf may hinge on public perceptions of what exactly is at stake.

Japan got about one out of every five barrels of its imported oil from Kuwait and Saudi Arabia before the Iraqi aggression. More than 40 percent of its direct investment in the Middle East — about $1.4 billion — has been pumped into an oil-drilling concession in the "neutral zone" on the Saudi-Kuwaiti border.

And yet the public's attitude has an aura of bemused detachment. The Japanese media are chronicling events in the Gulf as America's war. Pundits and scholars are downplaying Japan's interests in the shoot-out.

In the wake of the first oil shock after the 1973 Arab-Israeli war, Japan staked out an independent position that earned it quick exemption from the Arab oil embargo. Japan demanded that Israel withdraw from all occupied territories and recognize the Palestinians' right to self-determination, and threatened to break relations with Israel.

At the time, 85 percent of Japan's oil came from the Middle East. That level of dependency was reduced to about 70 percent by the early 1980s. Meanwhile, a policy of diversifying energy sources to coal and nuclear fuel, backed by nearly five months worth of stockpiled oil, has relaxed the urgency surrounding supply. Also, the rapid appreciation of the yen from 1985 made oil deceptively cheap.

"Until the middle of the 1980s, we used to be told by Japan that there'd be no progress in bilateral relations until the confrontation ends in the Middle East," said Eitan Margalit, minister for political affairs at the Israeli Embassy in Tokyo. "We don't hear that anymore."

In 1988 and 1989, the two countries for the first time exchanged official visits by their foreign ministers, and last year they began annual working-level political talks.

Typical of many Japanese companies, Matsushita apparently has adopted a policy of serving the Israeli market through an array of sales agents in third countries.

"I myself bought some good products made by Matsushita in Israel — a Panasonic TV and a Technics stereo," said Max Livnat, economic minister in the Israeli Embassy. "If the Japanese have something they want to buy or sell, they'll find a way to do business with Israel."

Autos made up 32.3 percent of Japan's $317.5 million in exports to Israel in 1989.

Sanyo Says Group Profit Increased by 3.9 Percent

Compiled by Our Staff From Dispatches

TOKYO — Sanyo Electric Co. said Wednesday that its group net consolidated profit for the year ended Nov. 30, 1990, increased to 17.5 billion yen ($133 million), 3.9 percent higher than the previous 12 months.

Sanyo, a major consumer electronics and appliance company, said group sales increased 7.8 percent, to 1.47 trillion yen, for the 1990 financial year. Group earnings per share were 8.95 yen, compared to 8.75 yen for 1989.

The company predicted group net profit of 18 billion yen in the 1991 financial year, on group sales of 1.55 trillion yen.

The company said its parent net profit increased by 12.9 percent in 1990, to 22.89 billion yen, on sales of 1.10 trillion yen. Net parent earnings per share were 11.85 yen in 1990 against 10.74 yen a year earlier.

Sanyo reported a 7.9 percent drop in parent company current profit in 1990, to 37.03 billion yen. The company blamed the drop in part on a weaker yen.

The company forecast parent net profit of 23 billion yen in 1991, assuming an exchange rate of 130 yen to the dollar. *(AFP, Reuters)*

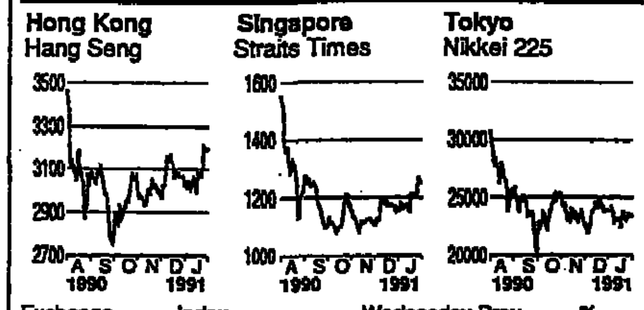
■ More Subsidiaries Sold

Sales of foreign subsidiaries based in Japan rose by 13.9 percent in fiscal year 1989, but represented only 1.1 percent of Japanese firms' domestic sales, Agence France-Presse reported from Tokyo.

The Ministry of International Trade and Industry said that in fiscal 1988, the turnover of Japan-based firms that were at least 50 percent foreign-owned represented 1 percent of the sales of Japanese-owned businesses. The ratio has remained at about 1 percent since 1984.

In fiscal year 1989, which ended March 31, 1990, spending on research and development by foreign firms' Japanese arms more than doubled compared to the previous fiscal year, MITI said.

Investor's Asia



Exchange	Index	Wednesday Close	Prev. Close	% Change
Hong Kong	Hang Seng	3200.89	3192.90	+0.25
Singapore	Straits Times	1248.44	1250.50	-0.16
Sydney	All Ordinaries	1314	1304.10	+0.76
Tokyo	Nikkei 225	23409.61	23460.12	-0.22
Kuala Lumpur	Composite	490.6	489.72	+0.18
Bangkok	Book Club	563.84	563.84	0.00
Seoul	Composite Stock	638.09	635.65	+0.38
Taipei	Weighted Price	4058.82	4110.55	-1.26
Manila	Composite	746.95	722.87	+3.33
Jakarta	Stock Index	384.40	385.10	-0.18
New Zealand	Barclays	1236.87	1228.34	+0.69
Bombay	National Index	491.77	491.77	0.00

Sources: Reuters, AFP International Herald Tribune

Japan's Vehicle Exports Dropped 1% Last Year

Compiled by Our Staff From Dispatches

TOKYO — Vehicle exports fell nearly 1 percent in 1990 because of a drop in exports to the United States and an increase in overseas production of Japanese cars, the Japan Automobile Manufacturers Association said Wednesday.

Exports to the United States, the largest market for Japan, accounting for about 40 percent of the total, were down 8 percent from 1989, to 2,236,988 units, the association said. The loss was made up by production of Japanese cars inside the United States.

In 1990, Japanese automakers produced 1,311,822 cars and trucks at factories in the United States, up 16.1 percent from the year before, the association said.

Exports to Europe, Asia and the Middle East showed a healthy rise in 1990, the association said.

Japan exported 1,750,497 units to Europe, a jump of 2.4 percent from 1989. Exports to Asia climbed 11 percent to 569,143 units, and exports to the Middle East were up 27.5 percent to 284,194 units.

For the month of December, Japan's vehicle exports rose 13 percent from the year earlier, to 505,224 for the third month of rises, the association said. December exports were up 7.7 percent. *(UPI, Reuters)*

Hong Kong Arrests 7 Futures Traders

The Associated Press

HONG KONG — Seven floor traders on the Hong Kong Futures Exchange were arrested Wednesday in connection with a corruption probe in the trading of stock-index futures, the government's anti-corruption agency announced.

In a brief statement, the Independent Commission Against Corruption said the arrested traders would be released on bail later Wednesday.

Japanese Anticipate Shortage of a Key Gulf Fuel

Reuters

TOKYO — Several oil and electric power companies, facing possible cuts in supplies of liquefied petroleum gas from Saudi Arabia, plan to convert their equipment so it can use other fuels, industry sources said Wednesday.

A spokesman for Chubu Electric Power Co. said, "We'll be converting to heavy oil to run our power plants to save LPG for household and commercial demand such as taxi fuel."

Ships with Japanese crews are not entering the Gulf because of the war, preventing most liquefied petroleum gas tankers from loading at the Saudi port of Ras Tannurah. The kingdom is Japan's biggest single supplier of liquefied petroleum gas.

Chubu Electric will not buy 40,000 metric tons of liquefied petroleum gas from local oil companies for February and March as planned, its spokesman said.

Similarly, Tokyo Electric Co. plans to cut its consumption of liquefied petroleum gas from Abu Dhabi by half, to 46,000 metric tons, for February and March. But it has agreed to let Mitsui Liquefied Gas Co. buy half of the remaining contracted imports.

"We will share the supplies with Mitsui Liquefied Gas because there is the possibility of a shortage," a Tokyo Electric spokesman said. "So we will cut its use as an energy-generating source by shifting to other fuels."

Several other electric power companies and some mining and oil companies are expected to take similar action to reduce the use of liquefied petroleum gas, industry sources said.

Kyodo Oil Co. will ask Nippon Mining Co. and Kashima Oil Co., a member of the Kyodo group, to reduce liquefied petroleum gas use to allow it to meet household and commercial demand. The oil industry leader, Nippon Oil Co., also will cut its use of the gas as a fuel at its refineries.

The Ministry of International Trade and Industry said it sees no current domestic shortage of the fuel. But an official said the ministry would monitor the situation.

Industry analysts and liquefied petroleum gas companies expect imports of the fuel could drop as low as 500,000 tons for February. Shipments could remain low in March, they added.

"We expect to see tight supplies if the Gulf war affects February shipments to Japan, because Japan has been importing over half its LPG from Saudi Arabia since shipments from Kuwait were banned," an official at the Japan LP Gas Association said.

— ADVERTISEMENT —

INTERNATIONAL FUNDS January 30, 1991

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SPORTS

Carnesecca, Firmly Rooted at St. John's, Has Become a Legend on the Run

By Mark Maske
Washington Post Service

WASHINGTON — Lou Carnesecca's telephone message said, "Call me back. I'll be at St. John's."

Where else would he be, one wondered. Where else will he ever be? As far as basketball is concerned, Carnesecca *is* St. John's.

He has called the New York City school home for most of the last 45 years, first as a student, then as an assistant to the legendary coach Joe Lapchick and finally as Lapchick's successor.

Now, after 22-plus seasons and 499 victories as the Redmen's head coach, Carnesecca is as identifiable with his program as any of the game's most domineering sideline personalities, as inextricably tied to his school as Dean Smith and North Carolina or Bob Knight and Indiana.

And when Big East Conference-leading St. John's met Georgetown Wednesday night in Capital Centre in Landover, Maryland, the building in the Washington suburbs that the Redmen have owned like no other visiting team, Carnesecca could become the 30th coach in the history of the National Collegiate Athletic Association to win 500 games.

If he accomplished that, Carnesecca would do so against one of his many friendly rivals — the Hoyas' coach, John Thompson, whom he once tried to recruit — and undoubtedly would celebrate the moment with the on-court energy and off-court wit that have made him one of the game's most endearing figures.

"I would be less than honest if I said I've been able to put it out of my mind," Carnesecca said. "Five hundred, it's a nice number. It shows you've been around because those things don't happen overnight. It shows I've had some pretty good kids and some pretty good guys on my staff to get those kids."

And, say Carnesecca's longtime associates, it shows that this sweater-wearing, sideline-pacing, raspy-voiced 66-year-old can coach with the best of them.

"Lou is one of the great people in the game," said the commissioner of the Big East, Mike Tranghese. "Let me tell you, he's one of the great competitors too. He's a nice guy, but once the game starts he's as fierce a competitor as they come for those 40 minutes."

Carnesecca has won more than 74 percent of his games at St. John's. He has 17 seasons of 20 victories or more, has taken the Redmen to a postseason tournament every year he's been in charge and has coached two national players of the year, Chris Mullin and Walter Berry. In 41 years of coaching at the high school, college and professional levels, he has more than 800 victories.

Yet he still is just Looie, the neighborhood kid made good. Carnesecca lore is plentiful, and almost everyone's favorite Looie story deals with his animated sideline posture.

In his younger days — before the coach's box tied him a bit more closely to the bench — Carnesecca ran up and down the sideline with St. John's fast breaks, saying he knew his team was too slow when he could beat its point guard down court.

Dave Gavitt, a former coach at Providence who now is an executive with the Boston Celtics of the National Basketball Association, recalls Carnesecca's once easing his way down the sideline while berating a referee. Gavitt brushed past to yell some instructions to his players on the court, and when he turned around Carnesecca was sitting in his seat on the Providence bench.

Carnesecca and Thompson once found themselves inching closer to one another near midcourt in the heat of the battle. The 5-foot, 6-inch (1.67-meter) Carnesecca tried to wipe his face with Thompson's trademark towel, and the 6-10 Thompson held it higher and higher, out of Carnesecca's reach. So Carnesecca improvised, wiping his brow with Thompson's tie.

Thompson-Carnesecca meetings have been as memorable as the games that showcased them. In the 1984-85 season, when Georgetown and St. John's were ranked first and second nationally for much of the season and met four times — the Hoya triumphed in the Big East tournament championship game and in the NCAA tournament's semifinals — the antics were more theatrical than ever.

Carnesecca favored a particularly loud sweater, and Thompson had a replica made for a late-season meeting at Madison Square Garden. So for the conference tournament, Carnesecca emerged with a 10-foot towel draped over his shoulder.

"There's always been a good relationship between me and John," Carnesecca said. "I enjoy John. He's a good man. There's mutual respect between us, and I think there's always been mutual respect between our teams."

Carnesecca said he still remembers his first victory at St. John's — a 64-62 overtime decision over Georgetown that opened the 1965-66 season, before Thompson had arrived — and proved it by reciting the play-by-play of the final moments.

From his beginnings on the East Side of Manhattan, where his family operated Carnesecca's Italian Delicatessen, to the recent awarding of the title *cavaliere* — bestowed by the Italian government on prominent Italian-Americans — it has been a long, glorious ride.

After spending four years in the Pacific with the U.S. Coast Guard during World War II, Carnesecca enrolled at St. John's in 1946. He played three games for the junior varsity basketball team, but was a better baseball player. His coaching career began at his former high school, St. Ann's Academy, and he returned to St. John's in 1957 as an aide to Lapchick.

Eight years later, Lapchick retired and Carnesecca took over. Save for a three-year stint as coach of the American Basketball Association's New York Nets, he's been there ever since, heading a program that never has known a losing season or the slightest hint of scandal.

"It's funny," he said. "It seems like just yesterday that this all began. It doesn't seem like I've been coaching 40 years. I remember so many people, so many games.

"You know time is running short, that you can't go on coaching forever. But you keep going as long as it's fun. And it's still fun to win."

The Redmen (15-2, 6-2 in the Big East) have been doing a lot of that lately, riding a five-game streak; the last four victories have been by a total of 14 points. They have one of the Big East's most explosive scorers in forward Malik Sealy, averaging 24.4 points per game.

"Looie's won an awful lot of games, and there's no doubt he'll win 500," said Thompson, whose team is 12-5, 4-3. "But knowing Looie, getting 500 wins is a lot less important to him and his team than getting one win, in this game."

AP
Carnesecca: "A nice number."

King's All-Star Dream Comes True

NBA Veteran, Back From Knee Injury, a Top Scorer Again

By Sam Goldaper
New York Times Service

NEW YORK — Bernard King was awakened at home in Mitchville, Maryland, by a telephone call from Abe Pollin, the owner of the Washington Bullets, who told King he had been named to the National Basketball Association's all-star team.

"Is that true?" King asked Pollin Tuesday morning. "It's a dream come true. I've been dreaming of that for six years. I've worked hard for it."

King tore up his right knee March 23, 1985, playing for the New York Knicks in a game against the Kansas City Kings and missed nearly two full seasons while he labored to rehabilitate the knee. No one, doctors said, had ever fully returned from such a devastating injury.

After sitting out the 1985-86 season, King played the final six games of the following season with the Knicks and then signed with the Bullets as a free agent on Oct. 16, 1987.

King, who is third in the NBA in scoring with a 30.0-point average *(see Scoreboard)*, showed his joy Tuesday by answering his telephone with, "Hello, hello, this is a happy day."

King, 34, and before his injury a three-time all-star, said he had set two goals for himself for his 13th pro season. He wanted to score 50 points in a game again and "become the first player without an anterior cruciate ligament to ever play in an NBA all-star game." He reached the first objective Dec. 11, when he scored 52 points against the Denver Nuggets. He reached the second on Tuesday.

Weeks ago, the 6-foot, 7-inch (2.00-meter) King made Norman Scott, the Knicks' team doctor who performed the reconstructive surgery on April 1, 1985, promise to attend the game in Charlotte, North Carolina, on Feb. 10 if he made the team. As soon as he learned that he was named an all-star, King called Scott to remind him of the promise.

"Bernard made an extensive study of the effects of the injuries in the days before the surgery," Scott said. "I remember him asking me whether I could predict he would be an all-star again. I told him I couldn't guarantee it, but I thought he would."

Wes Unseld, the Bullets' coach, said, "It's unbelievable with all that he has been through. I've only seen the good side of Bernard. He's been playing like an all-star the last three years, but I can't imagine him being any better than he is now."

In addition to King, the coaches of the Eastern Conference teams elected seven other reserves to the squad, one of them a backcourt replacement for Isiah Thomas, the Detroit Pistons' playmaker who was voted a starting spot by the fans.

The All-Star Game Rosters

EASTERN CONFERENCE

Starters: Charles Barkley, f, Philadelphia; Larry Bird, f, Boston; Patrick Ewing, c, New York; Michael Jordan, g, Chicago; x-Isiah Thomas, g, Detroit.

Reserves: Brad Dougherty, c, Cleveland; Joe Dumars, g, Detroit; Kevin McHale, f, Boston; Robert Parish, c, Boston; Bernard King, f, Washington; Ricky Pierce, g, Milwaukee; Alvin Robertson, g, Milwaukee; Dominique Wilkins, f, Atlanta.

WESTERN CONFERENCE

Starters: Karl Malone, f, Utah; Chris Mullin, f, Golden State; David Robinson, c, San Antonio; Magic Johnson, g, Los Angeles Lakers; Kevin Johnson, g, Phoenix.

Reserves: Tom Chambers, f, Phoenix; Clyde Drexler, g, Portland; Kevin Duckworth, c, Portland; Tim Hardaway, g, Golden State; Terry Porter, g, Portland; John Stockton, g, Utah; James Worthy, f, Los Angeles Lakers.

x-Injured.

Joe Cavaretta/Reuters
Bernard King, slapping the ball away from Grant Long of the Miami Heat, scored 26 points Tuesday night after learning that he would be playing in the NBA All-Star Game. Washington won, 105-101.

Thomas underwent surgery Tuesday to repair an injury in his right wrist and probably will miss the rest of the season. In selecting guards Joe Dumars of the Pistons, and Ricky Pierce and Alvin Robertson of the Milwaukee Bucks, the coaches left it up to Chris Ford of the Boston Celtics, who will coach the East, to determine who will start in the backcourt with Michael Jordan of the Chicago Bulls.

Larry Bird of the Celtics and Charles Barkley of the Philadelphia 76ers are injured, too. If they are unable to play, David Stern, the league's commissioner, will select their replacements.

Virginia Hands N.C. State Worst Loss in 681 Games

Compiled by Our Staff From Dispatches

Virginia succeeded where Duke failed only a week earlier.

The Cavaliers, ranked 15th by The Associated Press, utilized strong defense, a balanced offense and a second-half surge to run away from North Carolina State, 104-72, Tuesday night in Charlottesville, Virginia.

Kenny Turner scored 24 points, Bryant Stith 22 and point guard John Crotty had 21 with a career-high 14 assists for Virginia, 15-4 overall and 4-2 in the Atlantic Coast Conference. With Virginia enjoying a 56-31 second-half scoring edge, the Wolfpack absorbed its worst loss since a 37-point drubbing by North Carolina in 1968 — 681 games ago.

North Carolina State (10-6 and 3-3) was led by Tom Gugliotta's 24 points. But the Cavaliers easily parried the one-two backcourt punch of Rodney Monroe and Chris Corchiani. Monroe, the ACC's leading scorer with 28.9 points a game, had 22; Crotty restricted Corchiani — averaging 18.7 points — to 6.

On Jan. 23, Monroe scored 35 points and Corchiani sparked a second-half run that enabled the Wolfpack to upset then-No. 6 Duke, 95-89.

No. 10 Kentucky 89, Auburn 81: John Pelphrey sank two free throws with 1:53 remaining in Auburn, Alabama, and Jeff Brassow ensured the victory with one of Kentucky's 10 3-pointers. Kentucky improved to 16-3 overall, 8-1 in the South-

COLLEGE BASKETBALL

eastern Conference. Auburn (10-8, 3-6) lost its fifth straight conference game at home.

No. 24 Kansas 78, Kansas State 69: The Jayhawks (14-4, 3-2) won on the court of their instate rival for the eighth straight year and kept Kansas State (10-8, 0-5) without a Big Eight victory under its first-year coach, Dana Altman. KSU led, 39-37, when Terry Brown began a 14-2 second-half run with a 3-pointer.

Providence 65, No. 25 Seton Hall 62: Eric Murdock combined offense and defense to lead the Friars (13-7, 4-5) to a Big East victory in Providence, Rhode Island. The conference's top scorer, Murdock got 24 points and with six steals became the National Collegiate Athletic Association's all-time leader with 344. Seton Hall is 13-5 overall and 5-5 in the Big East. *(AP, UPI)*

BOOKS

WANDERING GHOST: The Odyssey of Lafcadio Hearn

By Jonathan Cott. 438 pages. $24.95. Alfred A. Knopf, 201 East 50th Street, New York, N. Y. 10022.

Reviewed by Anthony Thwaite

LAFCADIO HEARN'S literary reputation has been as erratic and as full of apparent indirections as his own wandering life. When he died in Tokyo in 1904, the London Times obituary spoke of him as "the well-known writer on Japanese subjects": "Few European writers have become so intimately acquainted with Japanese thought or handled Japanese subjects with greater appreciation." The dozen books on Japan he published between 1894 and his death were taken up in the West by connoisseurs of the odd and the Eastern, and went on having currency until about 1930.

Then, with the rise of Japanese militarism and the ascendancy both of anti-Japanese feeling and anti-romanticism, Hearn's stock fell. By the end of World War II, a new generation of "experts" on Japan had begun to make its mark — American and British students of the language, culture, institutions, who were far more skillful linguistically, and whose observations were based on close academic scholarship and field-study rather than the sometimes whimsical flourishes and enthusiasms which absorbed Hearn. In the West, Hearn was seen as a faded and pathetic figure, a bit of a joke.

Only in Japan itself was he still taken seriously, at least by the educational system, which processed his texts as schoolbook fodder. Literary visitors who came to teach in Japan were regularly hailed as eminent successors to the legendary Herun-san, but those who got this treatment were often contemptuous.

But gradually the Hearn tide is beginning to turn. As long ago as 1961 there appeared a full-scale well-researched biography by Elizabeth Stevenson which at a stroke replaced almost all of the prolific earlier studies of the man and his work. More recently, in 1984, Francis King published an anthology of Hearn's Writings from Japan. King observed: "When I first went to Japan, I prepared myself by reading a number of books on its history, its customs and its culture. Most were of a more recent date than Hearn's; but on my arrival, I realized that it was his that had given me the most accurate idea of what, superficialities apart, I should find there."

Jonathan Cott's book attempts to be a combination of both biography and anthology — and an anthology which goes well beyond Francis King's representation of only the Japanese material. Cott began with the notion of a comprehensive Hearn anthology, but:

"I soon realized . . . that the context of the work was indissolubly linked to Hearn's literary and personal life — one of the most remarkable and fascinating lives of any writer of the late nineteenth century. My anthology therefore began to turn into an informal biographical reader that attempted to present Lafcadio's voice from the days he emerged, seemingly out of nowhere, as a newspaper reporter in Cincinnati in 1871 until his death in Japan in 1904 . . ."

The strength of Cott's book is his choice to quote Hearn at length, from early letters, Cincinnati and New Orleans journalism, and essays written during the period in Martinique, to the copious flow of work during the 14 years in Japan. Sometimes these lengthy extracts outstay their welcome, and become tedious. On the other hand, Cott publishes some of the Cincinnati "investigative" and descriptive journalism, which shows what a spectacularly audacious reporter the young Hearn could be.

Hearn's mercurial moods, manic touchiness, inflamed aestheticism, are gently and sympathetically written about by Cott, with a protectiveness that comes naturally to a sensitive biographer, though I wished now and then that Cott had not allowed Hearn's rhapsodical style occasionally to color his own. Nevertheless, Cott has done a thorough and well-constructed job, which can only help the rehabilitation of Hearn's reputation.

Anthony Thwaite, co-editor of "The Penguin Book of Japanese Verse," wrote this for The Washington Post.

BRIDGE

By Alan Truscott

TOM Smith, president of the Cavendish Club, New York, demonstrated his dummy-play skill earlier this month on the diagramed deal from a Cavendish Imp game.

As South in three no-trump he won the opening club lead in his hand with the nine. He tried a diamond finesse, but it failed and East returned that suit. Dummy won and a low spade was led, won by East's queen. East persevered with a diamond, driving out dummy's remaining winner, and West gave up a spade.

Now South cashed the top spades, throwing more clubs from his hand, and knew what to do when West gave up a club. He cashed the ace-king of hearts, reducing West to two club winners and the J-8 of hearts. The closed hand had the Q-J clubs and the Q-10 of hearts, and a club lead decided the issue: Two heart tricks scored at the finish to make the contract.

In the replay North was the declarer in the same contract and received a diamond lead to the queen. He led the club ten, and when this was allowed to win he erred by continuing clubs and the contract failed: West was able to win and lead a diamond.

North would have survived here if he had a low spade from the dummy at the third trick. Playing the top spades intending a third round would fail if East shrewdly unblocked, allowing his partner to win the third round with the eight.

NORTH (D)
♠A K 7 4 2
♡A K 9
♢A Q J
♣10 5

WEST
♠8 6 5
♡J 8 4 3
♢7 4
♣A K 7 2

EAST
♠Q J 9 3
♡6 2
♢K 9 8 6 3 2
♣8

SOUTH
♠10
♡Q 10 7 5
♢10 5
♣Q J 9 6 4 3

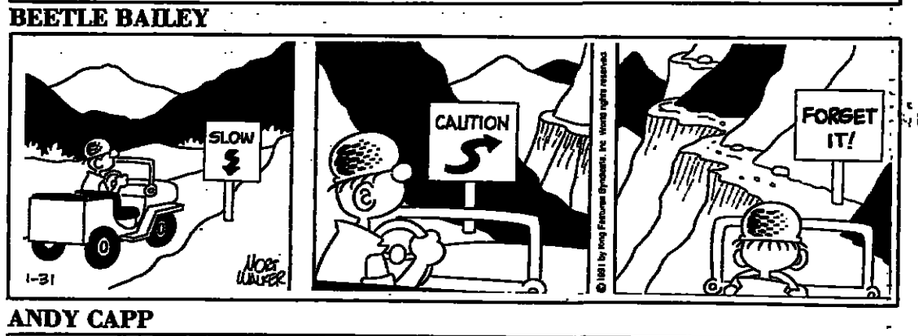
Both sides were vulnerable. The bidding:

North	East	South	West
1 ♠	Pass	1 N.T.	Pass
3 N.T.	Pass	Pass	Pass

West led the club two.

PEANUTS

BEETLE BAILEY



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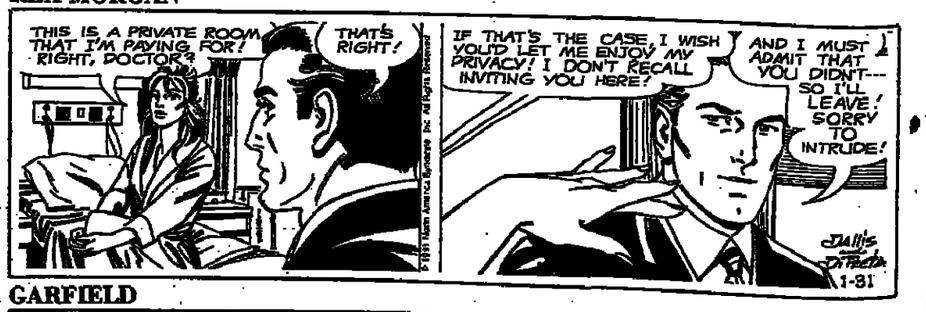
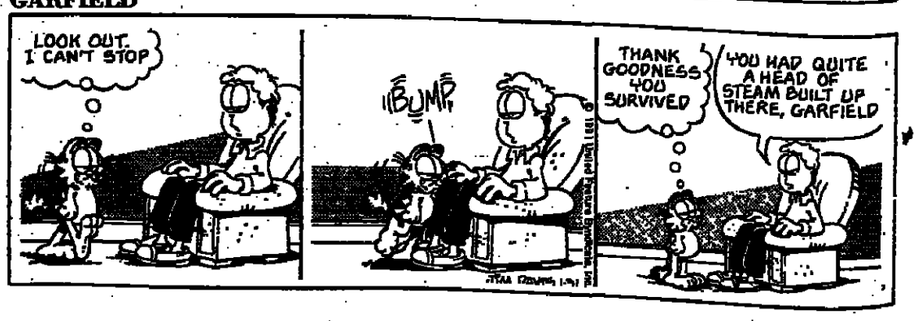
WIZARD of ID

REX MORGAN



GARFIELD



DOONESBURY

DENNIS THE MENACE

JUMBLE. THAT SCRAMBLED WORD GAME by Henri Arnold and Bob Lee

Unscramble these four Jumbles, one letter to each square, to form four ordinary words.

BLAWR
LIDEY
TAWNUL
RODIAT

Now arrange the circled letters to form the surprise answer, as suggested by the above cartoon.

Answer: HIS ○○○○ OF ○○○○

(Answers tomorrow)

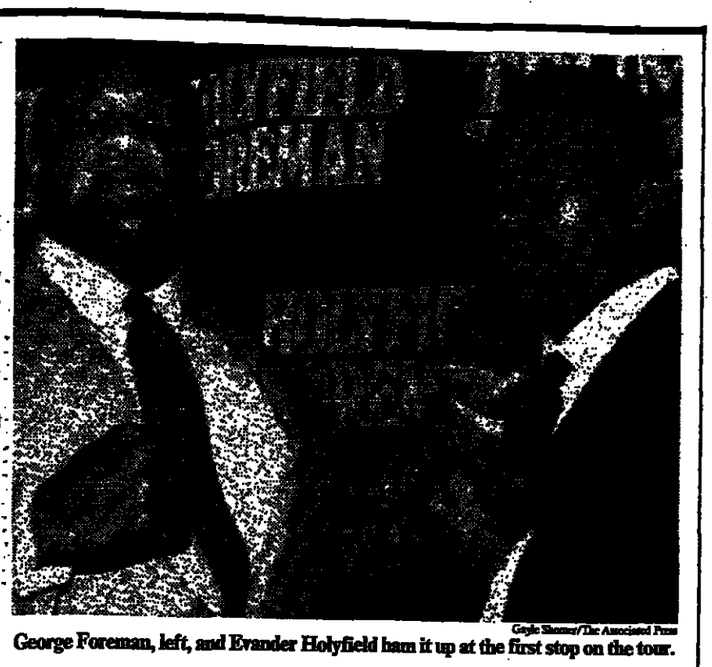
Yesterday's Jumbles: LEAVE GEASE SOLACE PSYCHE
Answer: What a not-so-bright guy would be if he said what was in his mind—SPEECHLESS

BLONDIE

هكذا من الاصل

هكذا من الأصل

SPORTS



Gayle Shumey/The Associated Press

George Foreman, left, and Evander Holyfield ham it up at the first stop on the tour.

Comedy, Heavyweight-Style

By Phil Berger
New York Times Service

CAMBRIDGE, Massachusetts — It's getting hard to find a straight man these days when George Foreman is around.

Foreman, who will challenge Evander Holyfield for the heavyweight title on April 19, had hardly settled into his seat on the dais at a hotel here Tuesday when Lou Duva, one of Holyfield's cornermen, began working the older fighter over.

"When George goes into a restaurant, he doesn't ask for a menu," Duva said. "He asks for an estimate."

Like a veteran Las Vegas lounge comic, Duva waited for the laughter to subside before he drove home his point. Turning to his fighter, who was also seated on the dais, Duva said, "Evander, when you go into the ring against this guy, you'll be fighting a cafeteria with arms."

So it went on opening day of a multicity blitz to promote Holyfield versus Foreman, an endeavor that was to take them to Chicago on Wednesday, then to Los Angeles and Las Vegas on Thursday and San Francisco on Friday, continue Feb. 7 in Atlanta, Holyfield's hometown, and finish a day later in Washington.

It was no surprise, really, that the barbed insult had replaced the brandished fist as the weapon of choice on this junket. Since he came back to boxing in March 1987, after a 10-year absence, Foreman, a former champion, has beguiled the public as much with his good nature and the unending jokes on himself as with his punching power.

For instance, early in his comeback, when there was sniping about the quality of his opposition, Foreman said: "You know, people say I fight guys that just got off the respirator. That's a lie. I insist that they be at least eight days off the respirator."

That humor has served him well. Even as he has clubbed opponents insensate, he has disarmed a skeptical press and the public with his wit.

On Tuesday, Foreman, who gives his age as 43, appeared first on a television monitor in a taped spot that presumably will appear later as a commercial. In it, he warned Holyfield that he was going to hit him with "my new, middle-age, senior-citizen punch."

In person, Foreman rolled with the comic insults from others, smiling through Duva's best lines — "George likes to do things for other fighters; he just hired Buster Douglas to be his weight watcher" — and then needling him back.

"Angelo Dundee taught him everything he's saying," Foreman said of Duva.

The effect was to undermine Duva's build-up of Holyfield.

"I'm going to eat his trench coat when you're finished," Foreman threatened, as the crowd roared with laughter.

When it was his turn to speak, Foreman commented on the rigorous conditioning program that Holyfield undergoes by saying: "I have a strength coach — it's my wife. She's always trying to figure out what kind of chains she's going to put on the refrigerator at home. Ones that I can't break."

When Holyfield said, "George can't beat me and George knows he can't beat me," Foreman felt obliged to interrupt.

"Shut up, man," Foreman said. "You up there lying." The crowd laughed; Foreman smiled.

Kronberger Out of Race, Perhaps Meet

Compiled by Our Staff From Dispatches

SAALBACH-HINTERGLEMM, Austria — Petra Kronberger of Austria, the world downhill champion who had been favored to win all five women's events at the championships, has been forced by her knee injury to withdraw from Thursday's combined slalom, team officials announced Wednesday.

A spill at the last gate of the super-giant slalom on Tuesday ended Kronberger's bid to sweep the women's gold medals and threatened to knock her out of the rest of the championships.

The slalom and giant slalom competitions of the championships are to be raced Friday and Sunday.

Kronberger was at her parents' home in nearby Pfarrwerfen, south of Salzburg, recuperating Wednesday.

She had underwent scanning tests in a Salzburg hospital to determine the extent of ligament damage to her right knee.

Doctors said they found a slight ligament tear, but that it would not require arthroscopic surgery. The Austrian team's doctor, Toni Wicker, said Kronberger would undergo therapy.

"I'm really relieved that I don't need an operation," Kronberger said. "But whether I can still race here, we'll just have to see."

Kronberger, 21, came into the championships as an overwhelming favorite after becoming, in January, the only woman to win all five World Cup disciplines in one season.

She won the downhill title Saturday and was in excellent position to win the combined event after placing second in the downhill portion, since she is a top slalomer.

But she tumbled across the finish line Tuesday and wound up in sixth place. *(AP, AFP, UPI)*

■ 2 Women's Races Moved

Two women's World Cup races in Germany next month have been moved because of poor snow conditions, the International Ski Federation said Wednesday.

The downhill and super-giant slalom races, to be held in Pfronten on Feb. 8 and 9, will be switched to another German resort, Garmisch-Partenkirchen, on the same dates, Reuters reported from the world championships.

Garmisch, which hosted men's races earlier this month, can make artificial snow.

Eberharter Wins the Combined and 2d Gold After Girardelli Falls Nearing Finish Line

Compiled by Our Staff From Dispatches

SAALBACH-HINTERGLEMM, Austria — Stefan Eberharter became the first double gold medalist of the 1991 World Alpine Ski Championships by winning the combined event Wednesday after his biggest rival, Marc Girardelli, fell within sight of the finish.

Eberharter, the surprise of the Austrian team and already the super-giant slalom champion, was fastest in the slalom on Wednesday after placing ninth in the downhill section of the combined event on Monday.

Kristian Ghedina of Italy, who won the downhill portion, turned in his best slalom performance ever to win the silver medal. Günther Mader, another Austrian, won the bronze for the third championships in succession.

Hubert Strolz of Austria, the Olympic champion, finished sixth.

Luxembourg's Girardelli, who won the slalom gold medal in the opening event of the championships last week, had been the favorite to win the combined for the third time.

But he was 0.70 seconds slower than Eberharter in the combined downhill and only second fastest in the first leg of the slalom, 0.12 seconds behind.

Pushing himself to the limit through the 56 gates of the second leg, Girardelli, three times the World Cup overall champion, overbalanced at the top of the final slope and skidded out of the race. He was unhurt.

Eberharter, who has never won a World Cup race, was next down the Hinterglemm course, which dropped 215 meters. He said later that he did not change his tactics after Girardelli went out.

"I went down on the attack," Eberharter said. "I nearly blew it at the top but when I got to the bottom I knew I had done it."

Eberharter, fifth in a World Cup combined in Kitzbühel this month, said winning the super-G last week had put him in a relaxed mood for the combined.

"I wasn't nervous at all," he said. "I had some problems at the first three gates of the second leg but then I found my rhythm and I really skied the way you should ski."

Under the complicated combined scoring system, the slalom counts for more than the downhill, making Ghedina's medal all the more of a surprise.

The Italian is a downhill specialist who has never won any World Cup slalom points.

"This is the first good slalom race I have ever had," said Ghedina, who was 11th over Wednesday's two runs. *(Reuters, AP)*

The top 10 in the slalom:
1. Stefan Eberharter, Austria, 1 minute, 33.87 seconds; 2. Paul Accola, Switzerland, 1:34.10; 3. Hubert Strolz, Austria, 1:34.65; 4. Gunther Mader, Austria, 1:34.90; 5. Kiminobu Kimura, Japan, 1:35.02; 6. Steve Locher, Switzerland, 1:35.49; 7. Ricardo Campo Galindo, Spain, 1:35.68; 8. Didrik Markslen, Norway, 1:36.12; 9. Rob Crossan, Canada, 1:36.52; 10. Lubomir Popov, Bulgaria, 1:36.54.

The top 10 in the combined:
1. Eberharter, 16.38 points; 2. Kristian Ghedina, Italy, 26.41; 3. Mader, 27.54; 4. Accola, 29.58; 5. Locher, 43.83; 6. Strolz, 44.38; 7. Peter Runggaldier, Italy, 48.70; 8. Markslen, 57.50; 9. Ed Podivinsky, Canada, 60.79; 10. Crossan, 64.20.

Agence France-Presse

Stefan Eberharter en route to his triumph in the downhill, which gave him the world combined title.

With Plenty of Nothing but Talent, Soviet Skiers Making a Comeback

Reuters

SAALBACH, Austria — They lack money, sponsors, infrastructure and experience but have talent and potential. The Soviet Alpine skiers are on the way back.

They proved it at the world championships here Saturday when a student, Svetlana Gladishiva, had Petra Kronberger close to tears as she threatened to snatch the downhill gold medal from the Austrian with the fastest time ever much of the course.

Gladishiva finished third, just half a second behind Kronberger, to become the first Soviet woman to win an Alpine ski medal since Evgenia Sidorova, the slalom bronze medalist at the 1956 Olympics.

"We have a large reservoir of talent but we can only exploit a small part of it because we do not have the material, money or infrastructure needed to develop it," said Leonid Tygachev, the Soviet team's chief coach.

"We have two big Austrian sponsors and a German ski firm and that's enough to support our World Cup team but not much more."

With a large part of state support for athletes going to the most popular sports such as ice hockey, soccer and athletics, there is little left over to create an arena for skiing, such as a network of resorts equipped with ski lifts and the other necessities.

This is compounded by the shortages of the economy, which is unable to provide the basic needs of the population, not to mention supplying enough skis, boots and other equipment of good quality to enable promising athletes to develop their skiing skills.

"There is tremendous interest in Alpine skiing in the Soviet Union," said Sergei Chaadayev, the assistant women's coach, "and we stage a lot of races throughout the country where we can spot talents, but that's not enough.

"But things are changing."

He noted that since President Mikhail S. Gorbachev's *perestroika* restructuring, ski officials have been able to establish contacts with Western companies and sponsors, who are beginning to show an interest in the Soviet skiers' potential.

"I can now spend two months a year at a German ski firm learning about new materials and the technique of preparing skis for races and this would have been impossible some years ago," Chaadayev said.

Tygachev and his team of trainers started rebuilding a Soviet team three years ago in their sports center in Lvov and have put together a men's and women's team that has taken part in the last three World Cup seasons.

While the women have made a mark, the men have so far not emulated the successes of their trainers, Vladimir Makeev and Vladimir Andreev, who were among the world's top skiers in the early 1980s. Those two, together with Valeri Tsyganov and Alexander Zhirov, won five World Cup races in 1981.

"At the moment our girls are the strongest," Chaadayev said. "And apart from Gladishiva, 14th and 15th in two downhills this season, which gave her the first World Cup points of her career, we have Varvara Zelenskaya, third in the downhill in Morzine and fifth in Bad Kleinkirchheim.

"Natalia Zamula and Larissa Mair have also performed very well in the past year."

"I think it will take a bit longer to rebuild a strong men's team," he added.

Chaadayev said they were concentrating only on the downhill and super-G for now.

"We still lack the facilities for consistent specialist slalom training," he said.

SCOREBOARD

BASKETBALL

NBA Standings

	W	L	Pct	GB
EASTERN CONFERENCE				
Atlantic Division				
Boston	31	11	.738	—
Philadelphia	23	19	.548	8
New York	19	24	.442	12½
Washington	19	24	.442	12½
New Jersey	14	29	.326	17½
Miami	11	32	.256	20½
Central Division				
Chicago	29	12	.707	½
Detroit	31	13	.705	—
Milwaukee	27	18	.600	4½
Atlanta	24	19	.558	6½
Indiana	17	24	.415	12½
Cleveland	14	28	.333	16
Charlotte	13	28	.317	16½
WESTERN CONFERENCE				
Midwest Division				
San Antonio	36	11	.732	—
Utah	28	15	.651	3
Houston	23	20	.535	8
Dallas	15	26	.366	15
Minnesota	13	27	.325	16½
Denver	12	30	.286	18½
Orlando	11	32	.256	20
Pacific Division				
Portland	37	7	.841	—
L.A. Lakers	31	11	.738	5
Phoenix	27	14	.659	8½
Golden State	24	17	.585	11½
Seattle	19	22	.463	16½
L.A. Clippers	15	28	.349	21½
Sacramento	12	28	.300	23

TUESDAY'S RESULTS

Charlotte 93, Indiana 91
Cleveland 119, Miami 93
Newman 11-19 8-8 31, Gill 10-20 1-1 21; Daugherty 9-14 8-11 26, Brown 7-9 3-3 17. Rebounds: Charlotte 50 (Curston 9), Cleveland 50 (Nance 12). Assists: Charlotte 27 (Bogues 6), Cleveland 38 (Valentine 8).
Phoenix 25 27 14 46—112
Orlando 31 22 27 34—114
Chambers 10-21 8-10 30, Hernacki 7-13 4-4 20, Majerle 7-12 4-6 28; Smith 11-17 2-2 24, Reynolds 10-19 2-4 22. Rebounds: Phoenix 49 (Chambers 9), Orlando 57 (Reynolds 10). Assists: Phoenix 27 (Johnson 9), Orlando 24 (Skiles 7).
Miami 27 23 28 23—101
Washington 32 19 25 29—105
Long 8-14 3-4 28, Rice 9-17 2-2 20; King 11-22 4-5 26, Grant 9-15 6-9 24. Rebounds: Miami 52 (Kessler 15), Washington 49 (Walker 14). Assists: Miami 18 (Douglas 5), Washington 15 (King 5).
San Antonio 25 28 20 24—97
Houston 27 27 12 25—91
Higgins 10-15 1-1 22, Robinson 5-12 4-9 14, Strickland 7-12 2-2 16; Thorpe 11-14 3-3 25, K. Smith 9-14 5-6 23. Rebounds: San Antonio 45 (Robinson 17), Houston 43 (Thorpe 11). Assists: San Antonio 23 (Strickland 5), Houston 14 (K. Smith 6).
Denver 37 28 25 34—124
Milwaukee 28 23 32 34—122
Adams 12-25 14-15 41, Williams 8-14 2-3 20; Pierce 10-18 7-8 28, Brickowski 8-13 7-7 23. Rebounds: Denver 61 (Rasmussen 15), Milwaukee 64 (Robertson 13). Assists: Denver 23 (Adams 10), Milwaukee 32 (Robertson 9).
Seattle 29 28 30 37—132
Dallas 31 31 26 29—117
McKey 6-10 12-13 24, Ellis 7-11 7-7 22; White 11-17 2-3 24, McCray 9-12 5-6 23. Rebounds: Seattle 39 (Polynice 6), Dallas 42 (McCray 10). Assists: Seattle 22 (McMillan 8), Dallas 29 (McCray 9).
Atlanta 38 33 33 13—185
Utah 26 28 26 36—116
Wilkins 8-22 7-8 24, Rivers 9-22 3-3 22; K. Malone 12-21 5-6 29, Stockton 8-13 8-10 25. Rebounds: Atlanta 44 (Wilkins 14), Utah 47 (K.Malone 16). Assists: Atlanta 18 (Webb 4), Utah 31 (Stockton 19).
New Jersey 12 21 27 29— 89
L.A. Lakers 31 29 26 14—110
Theus 5-13 4-4 14, Petrovic 5-18 2-2 12; Green 6-9 6-11 19, Thompson 8-12 2-2 18. Rebounds: New Jersey 63 (Dudley 13), Los Angeles 74 (Divac 11). Assists: New Jersey 22 (Coleman, Theus 4), Los Angeles 23 (Johnson 7).
New York 38 37 18 34 7—148
L.A. Clippers 32 34 22 22 6—107
Ewing 17-35 10-14 44, Vandeweghe 5-11 6-6 16; Harper 10-19 3-4 23, Manning 9-14 2-2 20. Rebounds: New York 59 (Ewing 17), Los Angeles 54 (Smith 13). Assists: New York 29 (Cheeks 9), Los Angeles 28 (Grant 15).

NBA Statistical Leaders

(Through Jan. 27)

SCORING

	G	FG	FT	Pts	Avg
Jordan, Chicago	41	586	369	1272	31.0
Barkley, Philadelphia	25	376	306	1059	30.8
King, Washington	41	485	253	1228	30.0
K.Malone, Utah	42	471	349	1172	27.9
Robinson, San Antonio	39	377	277	1031	26.4
Ewing, New York	41	417	242	1076	26.2
Wilkins, Atlanta	40	368	245	1025	25.6
Mullin, Golden State	40	380	231	1019	25.5
Richmond, Golden State	35	339	171	871	24.9
Adams, Denver	31	258	190	760	24.5

REBOUNDING

	G	Off	Def	Tot	Avg
Olajuwon, Houston	29	110	301	411	14.2
Robinson, San Antonio	39	176	331	507	13.0
K.Malone, Utah	42	148	380	528	12.6
Oakley, New York	41	147	352	499	12.2
Rodman, Detroit	43	162	324	486	11.3
Ewing, New York	41	101	356	457	11.1
Coleman, New Jersey	35	124	247	371	10.6
Parish, Boston	40	121	293	414	10.4
Daugherty, Cleveland	41	95	329	424	10.3
Rasmussen, Denver	38	95	297	392	10.3

ASSISTS

	G	No.	Avg.
Stockton, Utah	42	592	14.1
Johnson, Lakers	39	532	13.6
Adams, Denver	31	369	11.9
K.Johnson, Phoenix	40	488	10.0
Hardaway, Golden State	40	396	9.9
Bogues, Charlotte	39	379	9.7
Richardson, Minnesota	39	377	9.7
Thomas, Detroit	39	357	9.2
Grant, Clippers	42	382	9.1
Strickland, San Antonio	36	312	8.7

Major College Scores

Fordham 54, Army 58
George Washington 97, West Virginia 87
Harvard 71, New Hampshire 64
Manhattan 54, St. Peter's 51
Niagara 70, Fairfield 67
Providence 65, Seton Hall 62
Alabama St. 94, Auburn-Montgomery 85
Brooklyn Col. 69, Md.-E. Shore 62
Cent. Florida 84, Fla. International 80
Coppin St. 76, Delaware St. 66
Kentucky 89, Auburn 87
Maryland 72, American U. 69
South Carolina 76, Augusta 62
Virginia 104, N. Carolina St. 72
Akron 93, Wis.-Green Bay 48
Kansas 78, Kansas St. 69
Notre Dame 73, Dayton 67
Valparaiso 82, Toledo 76
Houston 77, Texas A&M 64
Lamar 89, McNeese St. 63
Texas Southern 79, Stephen F.Austin 63

European Basketball

EUROPEAN CUP WINNERS' CUP
Quarterfinal Group, Series 6
Group A
Ovarense 68, Dynamo Moscow 78
Virtus Bologna 103, Cholet 80
Group B
Hapoel Galil 80, PAOK Salonika 79
CAI Zaragoza 134, Red Star Belgrade 113

TRANSACTIONS

BASEBALL
American League

DETROIT—Agreed to terms with Jerry Don Gleaton, pitcher, on one-year contract. Announced four-year player development contract with Toledo, International League.

MINNESOTA—Signed Chili Davis, outfielder, to one-year contract with option year.

National League

ATLANTA—Agreed to terms with Juan Berenguer, pitcher, on two-year contract. Designated Jim Vatcher, outfielder, for assignment.

N.Y. METS—Agreed to terms with Charlie O'Brien, catcher, and Julio Valera, pitcher, on one-year contracts.

HOCKEY
National Hockey League

DETROIT—Recalled Alain Chevrier, goalie, from San Diego, International Hockey League and Gord Kruppke, defenseman, from Adirondack, American Hockey League. Sent Dave Gagnon, goalie, and Chris Luongo, defenseman, to Adirondack.

QUEBEC—Acquired Jacques Cloutier, goaltender, from Chicago for Tony McKegney, forward.

HOCKEY

NHL Standings

	W	L	T	Pts	GF	GA
WALES CONFERENCE						
Patrick Division						
N.Y. Rangers	27	17	8	62	190	159
Pittsburgh	28	21	3	59	224	191
Philadelphia	26	22	6	58	182	170
New Jersey	21	21	10	52	198	176
Washington	23	27	3	49	167	178
N.Y. Islanders	18	27	6	42	148	182
Adams Division						
Boston	29	16	8	66	191	147
Montreal	28	19	5	61	173	153
Buffalo	21	20	10	52	182	174
Hartford	22	24	5	49	148	175
Quebec	18	33	9	29	147	233
CAMPBELL CONFERENCE						
Norris Division						
Chicago	34	15	4	72	177	134
St. Louis	29	15	7	65	197	157
Detroit	22	25	5	49	174	192
Minnesota	15	30	9	39	158	186
Toronto	13	33	5	31	147	212
Smythe Division						
Los Angeles	28	17	5	61	204	161
Calgary	26	20	5	57	208	169
Edmonton	24	22	3	51	165	157
Winnipeg	18	28	8	44	175	187
Vancouver	19	29	4	42	161	195

TUESDAY'S RESULTS

Washington 2 0 0 0—2
Pittsburgh 7 0 1 1—9
Miller 2 (14); Errey (13), Lemieux (1), Stanton (5). Shots on goal: Washington (on W. Young) 13-10-6-1—30. Pittsburgh (on Becaire) 14-11-10-4—39.
N.Y. Islanders 1 4 1—6
Hartford 0 0 1—1
Vukota (2), Sutter 2 (18), Berg (6), LaFontaine 2 (20), King (13), Tucker (2); Cote (2). Shots on goal: New York (on Skidmore) 9-10-7—26. Hartford (on Hockett) 6-17-8—31.
Winnipeg 1 2 2—5
Quebec 1 0 1—2
Sykes (10), Elynuik (20), MacDermid (12), Donnelly (1), Steen (7); Sundin (15), Pearson (2). Shots on goal: Winnipeg (on Tiznyk) 9-20-6—34. Quebec (on Taboracci) 9-5-6—20.
Buffalo 1 1 1—3
St. Louis 3 3 2—8
Turgeon (34), Bodger (5), Snuggerud (7); Momesso (9), Lowry (12), Brind'Amour (8), MacLean (6), Wilson (8), P. Cavallini (5), Bruce (1), Courtnall (18). Shots on goal: Buffalo (on Riendeau) 7-7-13—27. St. Louis (on Wakaluk, Littman) 12-12-9—33.

SOCCER

ENGLISH FA CUP
Fourth Round Replay
Southampton 2, Coventry 0

SIDELINES

Monte Carlo Rally: Surprise Winner

MONTE CARLO (Reuters) — World champion Carlos Sainz of Spain won a Monte Carlo rally he was convinced he had lost Wednesday, then comforted French novice François Delecour, whose mishap had handed him the triumph.

Sainz, in a Toyota, had trailed Delecour by 41 seconds going into the last stage on the all-night chase into Monte Carlo, but a broken suspension arm on Delecour's Ford Sierra robbed him of victory just 16 kilometers (10 miles) from the finish.

Delecour, racing in a 300-horse-power Group A car for the first time, lost more than six minutes and was reduced to tears after finishing third behind Massimo Biasion of Italy in a Lancia.

2 Changes in Formula One Scoring

PARIS (Reuters) — Drivers in this season's Formula One Grand Prix races will earn 10 points for a victory instead of nine, the International Motor Sports Federation announced Wednesday.

FISA said its Formula One commission also agreed at a meeting in Paris this week that each driver's 14 best results of the season, out of 16 races, would count towards the world championship. The decisions have to be formally approved by FISA's world council in Paris on Feb. 13.

In recent years, only the top 11 results were counted. The decision to increase the number to 14 appeared to be a compromise after an earlier proposal to let all results be included in the standings.

Seagrave Quits as Johnson's Coach

TORONTO — Loren Seagrave has quit as Ben Johnson's coach to return to Louisiana to be closer to his wife, hurdler Kathy Freeman-Seagrave.

Seagrave was hired in July to help Johnson train for his comeback following the two-year suspension for steroid use in the Seoul Olympics.

Ed Futerman, Johnson's lawyer, said Tuesday there were no immediate plans to hire a replacement for Seagrave.

For the Record

The Tampa Bay Buccaneers of the NFL said they have met with Bill Walsh to discuss the team's head coaching vacancy and plan to talk to the former coach of the Philadelphia Eagles, Buddy Ryan, and the New York Giants' defensive coordinator, Bill Belichick. *(AP)*

Roberto Durán, the four-time world champion from Panama, will fight for the first time in 15 months when he takes on Pat Lawlor in Las Vegas on the March 18 Mike Tyson-Razor Ruddock undercard. *(UPI)*

Jose Canseco of the Oakland Athletics has filed for divorce from Esther Canseco, his wife of two years, The National sports daily reported Wednesday. She made news last October by criticizing the team's manager, Tony La Russa, who had benched the slugging outfielder for Game 4 of the World Series. *(AP)*

Quotable

● The late Harold (Red) Grange, telling the story behind his legendary No. 77: "The guy in front of me got 76, the guy in back got 78."

● Reggie Williams, the former linebacker of the Cincinnati Bengals who now is general manager of the World League's New York Knights, on watching the Bengals' first 1990 preseason game: "On the opening kickoff, there's Bernard Clark wearing No. 57, my old number, and he gets knocked out. Knocked out on the opening kickoff! My kids are yelling, 'Daddy's hurt! Daddy's hurt!' "

Tapie: Will He Resign?

Reuters

PARIS — Striking Marseille soccer players and the club's suspended president, Bernard Tapie, delayed meeting by 24 hours Wednesday as uncertainty grew over whether the millionaire businessman planned to resign.

A disciplinary committee ruled Monday that Tapie had threatened referees and brought the sport into disrepute. It banned him from soccer for a year and his players called a strike to protest.

Their meeting Wednesday was called off because Tapie remained in Paris. But he was expected to talk to his players in Marseille on Thursday, just 24 hours before they are to play a televised first division match in Bordeaux.

Tapie, who has invested a small fortune in the Marseille team, said Monday he would not appeal and he would leave the club.

But Marseille's general manager, Michel Hidalgo, said Wednesday that Tapie's first remarks on resigning were made without reflection. Hidalgo added: "He's a winner and he's going to fight. I'm certain he will not resign."

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(Continued From Back Page)

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ART BUCHWALD

Business Is Business

WASHINGTON — If I had to be anything in a Middle East war, I would be a German businessman. Germany has the best of all possible worlds: Because of its constitution it can't send troops, but it can take care of the needs of the Iraqi people.

Just the other day it was revealed that many German companies were involved in sales to Iraq. Germany has been the major supplier of Iraqi poison gas factories and nuclear plants. It is also the builder of Saddam Hussein's $65 million bunker, which can keep him in hiding for a whole year.

Buchwald

Some of you may be asking why Germany would do this to its NATO allies.

A German trade expert told me, "It's strictly business. Saddam has always been a good customer for Germany. He bought the top of the line, and he never argued about price. You don't cancel a guy's credit card just because he invaded Kuwait."

"But everything he bought is going to be used in the war. Doesn't that bother you?"

"It never occurred to us at the time. Our reasoning was that if we didn't sell him the technology for poison gas, somebody with ulterior motives toward the West would."

"Germany has always made good poison gas," I admitted.

"We're the best," he said proudly. "That's why everyone comes to us."

□

"Some people say that you have made life very difficult for those who are fighting Iraq."

"They shouldn't say that."

"Why not?"

"It's not nice. Maybe we helped Iraq with its manufacturing problems, but we are also donating money to the allies who are fighting them. If that isn't being even-handed, I don't know what is."

"Since you have so much invested in Iraq, does Germany have a rooting interest for one side or the other?"

"We want the United States and its allies to win so that they can rebuild Iraq again after the conflict, and we can get back to supplying them with arms."

"Including the poison gas plants?"

"Not to mention germ warfare. In the export business, an order is an order. Thanks to Iraq, Germany had one of the best trade years in a long time."

□

"My next question is, why did you sell this equipment?"

"My hands are clean. I'm in sales. The people in charge of delivery could answer your question."

"Do you have a problem about not participating in the war while knowing that German equipment is being used by the Iraqis?"

"Of course we have a problem, but it's not as big a problem as keeping the German mark from falling against the dollar. Look, we're going to give the allies money so that they can fight the battle for us. We just don't want a lot of blah, blah, blah about biological warfare and the missiles that we sold to Iraq in their hour of need."

"That's good of you."

"For crying out loud — it's our oil too, but that doesn't mean we have to die for it."

The Last Old-Time Soup Kitchen in Paris

International Herald Tribune

MARY BLUME

PARIS — All over town restaurateurs are moaning about falling business. Last week, at the annual directors' meeting of the Soupe Populaire in the Saint Sulpice quarter of the Left Bank, the chairman noted that there were only about one-third as many customers as there were 10 years ago, but no one was moaning.

"The ideal would be that no one comes at all, that no one would be in need," Jacques Toutain, the meeting's chairman and vice president of the Soupe, said.

The Soupe Populaire of the 6th Arrondissement, founded in 1894, is the last old-style soup kitchen in Paris. There used to be 20, one for each arrondissement, founded in a time when industrialization was driving people from the land into a city already crowded with the jobless and the poor. By World War I, 700 portions of soup were served daily in the 6th Arrondissement with two policemen keeping the hungry in line.

Government legislation over the years has made the need for soup kitchens less urgent. The Soupe's remaining clients, as they are respectfully called, are no longer pensioners and the temporarily distressed but hard-core vagabonds or *clochards* who are exempt from social benefits as they are from social constraints.

Between 30 and 40 of them show up six days a week at noon to down a hearty bouillon and a plain plat du jour and they are back on the street 30 minutes later. On Christmas and New Year's Eve there is a special meal and a glass of wine. The clients are always silent, sometimes courteous like the bleary-eyed man who offered with a gesture to share his sausage and lentils, sometimes abusive like the man who threw his tin dish at Aline Janty, the cook. "Luckily I have quick reflexes," Mme. Janty said.

Mme. Janty, however, has no wish to reform her clients; nor do the volunteers from the bourgeoisie who clean up after them and collect the token three francs clients pay, when they can, for the meal. What is remarkable about the Soupe is the generosity of spirit that prevails there: no condescension, no effusions of patronizing goodwill. A respect for privacy and grief is expressed in a policy of anonymity laid down by the Soupe's longtime president, Jean Guimont.

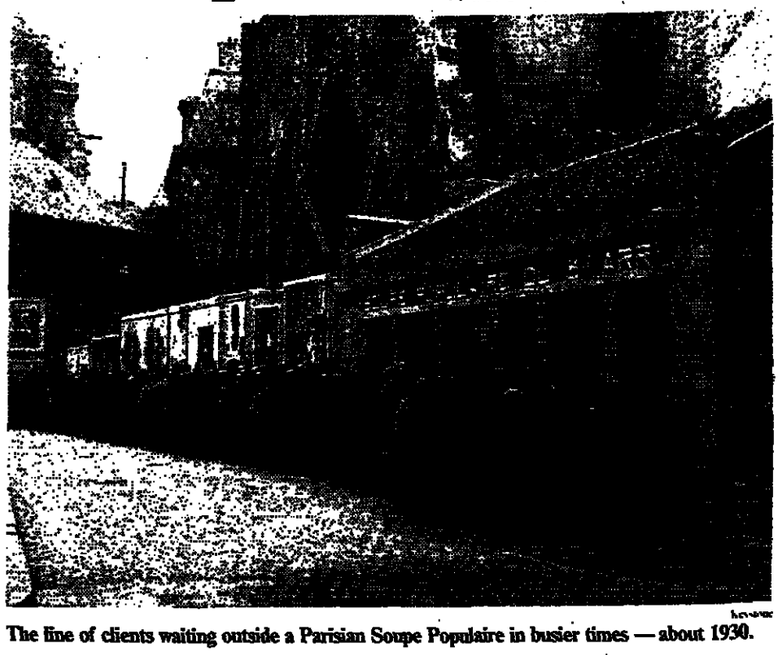
No questions are asked, no gratitude expected. No one is addressed by name although some clients have been coming for years and there is no chat unless the client starts it. "I've had them say they are just out of prison, it makes no difference to me," M. Guimont said.

The Soupe is a tidy threadbare room at 4 Rue Clément with a useful slot in its door for passers-by to drop contributions. Plastic-topped tables and benches line the room and at its end is an open kitchen with two huge cauldrons from which Mme. Janty and her assistant dish up the soup. There is no decoration except for an incongruous colorful painting of well-dressed people lined up for a catered buffet on a sunlit day outside the church of Saint-Germain-des-Prés. Labels identify the partygoers as longtime members of the Soupe's board. No irony is intended and no offense taken: The clients in any case rarely look up from the floor when they enter or from their plates when they eat.

The Soupe's board is made up of neighborhood worthies who continue to come even when they have retired and moved to less fashionable areas. There is a diplomat's wife, a retired police inspector, the optician from Rue Saint-Sulpice, a banker who manages the Soupe's small portfolio, a lawyer who negotiated the Soupe's lease, a retired official from the Finance Ministry and his wife, Roger Topolinski (the owner of the Lapérouse restaurant in the days when it was one of the best in Paris), and a former funeral director whose father began working with the Soupe in 1925 and who had in his pocket a list of funny stories to tell at the dinner that followed the meeting.

The moving spirit is Jean Guimont. "He is our father," Mme. Janty said.

M. Guimont, always referred to as *le Président* although he is 88 now and confined to his house, began working at the Soupe in 1936, recruited by his boss at the nearby Senate, where he was in charge of the budget. In turn, M. Guimont has brought in a much younger colleague from the Senate, Jacques Toutain, as vice president. "We do our best. Probably we make mistakes but we do care and we couldn't do more," M. Toutain said.


The line of clients waiting outside a Parisian Soupe Populaire in busier times — about 1930.

The Senate, the Institut de France and the Académie des Beaux-Arts, neighborhood institutions that might not be expected to care much about *clochards*, all help out at the Soupe. Annual expenses and contributions just about balance at 300,000 francs (currently about $60,000). There are no fancy fund-raisers or charity balls. A nearby restaurant, La Foux, contributes food and neighborhood butchers and bakers offer discount prices, but there are fewer butchers and bakers as rents rise. The patisserie on Rue Saint-Sulpice that used to send over *petit fours* is now a fashion boutique.

Not everyone is thrilled to have a soup kitchen in a high-rent area. Some time back, M. Guimont says, the building's owners opened eviction proceedings and went to the Cour de Cassation, the highest court. The Soupe won.

At last week's annual board meeting, everyone sat on the Soupe's benches and the atmosphere was pleasantly amateur in both senses of the word, the first business of the day being to pass around a recent photograph of *le Président* to show how rosy and well he still looks. The last item on the agenda was the presentation of a medal to one of the board's longest-serving members, Dr. Charles Cachin. Dr. Cachin, it turned out, was unable to attend the meeting, which was just as well because M. Toutain had forgotten the medal.

In between, there was the treasurer's report, news of contributors — there was an appreciative hum when it was noted that Catherine Deneuve, who lives in the neighborhood, had given — and an expression of concern about the falling number of clients.

Perhaps clients should be given a warmer welcome, someone suggested. Perhaps the menu could be more varied. Perhaps there is too much competition from organizations like the *restaurants du coeur* founded by the late comedian Coluche and from the Petite Soeurs des Pauvres on Rue Notre-Dame-des-Champs who dispense free sandwiches mornings until 11 o'clock.

"If they don't like the sandwiches, they throw them out and come here," one director said. Then, as in all restaurants, the usual litany of complaints about the customers began.

"We tried giving them apples but many of them have no teeth and threw them in the gutter."

"I offered one a Gauloise and he said no thanks, I only smoke Marlboros."

"I gave one a pastry and he said sorry, my doctors won't let me eat sugar." The plural doctors was much appreciated.

Affectionate joking over, the board went off to a dinner that M. Toutain had organized at the Senate. It ended with a toast to *le Président* and with the funeral director's amiable stories, and it consisted of trout filets in champagne sauce, *magret de canard*, cheese, *savarin au rhum*, and Muscadet and Bordeaux wines.

Bolshoi Opera Plans U.S. Tour

The Associated Press

NEW YORK — The Bolshoi Opera will bring along 450 performers when it returns to the United States this summer for the first time since 1975.

The Bolshoi will perform at the Metropolitan Opera House June 25 to July 6 and at Wolf Trap Farm Park in Vienna, Virginia, July 11-15, producers said.

The premiere of a new production of Tchaikovsky's "Eugene Onegin" is scheduled for opening night at the Met. It will be the first time the Bolshoi has premiered a new production outside the Soviet Union. The company first performed "Eugene Onegin" in New York in 1975, the first time it traveled to America.

The company also will perform the American stage premiere of Rimsky-Korsakov's "Mlada" and the first staged production in New York of Tchaikovsky's "The Maid of Orleans."

PEOPLE

Mencken's Last Words Are Finally Uncrated

The last unpublished papers of H. L. Mencken have been uncrated at the Enoch Pratt Free Library in Baltimore. The seven wooden crates contained three volumes of Mencken's "Thirty-Five Years of Newspaper Work" and four volumes of "My Life as Author and Editor." Before Mencken died Jan. 28, 1956, he sent copies of the volumes to three libraries, stipulating that they remain sealed until the 35th anniversary of his death. Michael Kelly, a trustee of the library, offered a toast to the Sage of Baltimore: "Whatever Mencken's vices or virtues, he was the greatest posthumous self-promoter in the history of American letters." Mencken's reputation as a social and political critic was tarnished in 1989, when his diary was published. It contained what many considered to be anti-Semitic, racist and pro-Nazi references. The manuscripts will not cause the furor that the diary did, said Charles A. Fecher of Baltimore, who edited Mencken's diary.

□

Willie Nelson can knock $203,840 off his $16.7 million tax bill. The Internal Revenue Service auctioned his ranch house and 44-acre spread at Dripping Springs, Texas. There was one bid — at the minimum amount required — at the auction.

□

The Israel-based Wolf Foundation will award its physics prize to **Maurice Goldhaber**, 80, of the Brookhaven National Laboratory of Upton, New York, and **Valentine Telegdi**, 69, of the Swiss Federal Institute of Technology in Zurich, who will share the $100,000 award for their contributions to nuclear particle physics.

□

A Soviet filmmaker got a quick course in capitalism when a Los Angeles hospital refused to perform emergency heart surgery without a guarantee for the estimated $60,000 cost. **Iraqli Kvirikadze** received quadruple-bypass surgery after most of the money was donated by the Writers Guild Foundation. Kvirikadze, 51, a writer and director, became ill Jan. 16 during the American/Soviet Screenwriters' Festival, where his film "Comrade Stalin Goes to Africa" had its premiere. He was reported in fair condition.

Today's INTERNATIONAL RECRUITMENT Appears on Page 4

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